

Housing Services Tenancy Strategy

Supporting evidence

January 2019

Teignbridge District Council



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1 Context

The Localism Act (2011) requires local authorities, when preparing their tenancy strategy, to take into account the Council's key corporate priorities, including their housing and homelessness strategies. We expect registered and other housing providers to have regard to our detailed principles and objectives set out in the Devon Home Choice Allocations Policy, planning obligations prescribed in our Section 106 policies, as well as the relevant national legislation.

1.1 The Localism Act 2011

Under the Localism Act 2011, a local housing authority in England must prepare and publish a strategy setting out the matters to which the registered providers of social housing for its district are to have regard in formulating policies relating to:

1. the kinds of tenancies they grant
2. the circumstances in which they will grant a tenancy of a particular kind
3. where they grant tenancies for a term certain, the lengths of the terms
4. the circumstances in which they will grant a further tenancy on the coming to an end of an existing tenancy

The tenancy strategy must summarise those policies, or explain where they may be found. The changes apply to tenancies created from April 2012 onwards. Existing tenants seeking a transfer retain their existing form of tenancy where the transfer request and allocation accords with Sections:

- 158 Secure and assured tenancies: transfer of tenancy and
- 159 Further provisions about transfer of tenancy under Section 158

The specific responsibility for managing transfers rests with individual registered provider landlords.

Localism Act 2011 www.legislation.gov.uk/ukpga/2011/20/contents/enacted

1.2 Regulatory standards that registered providers of social housing must meet

Regulatory standards contain specific expectations and the outcomes that providers are expected to achieve. Providers' boards and local authority councillors who govern service delivery are responsible for meeting the relevant standards and determining how this is done. The standards are classified as either 'economic' or 'consumer'.

Economic standards

The Regulator of Social Housing proactively seeks assurance from providers that they are meeting the 3 economic standards, which are:

1. Governance and Financial Viability Standard 2015
2. Value for Money Standard 2018
3. Rent Standard 2015

Consumer standards

These apply to all registered providers including local authorities (note exclusions below). The Regulator of Social Housing's role is to set the consumer standards and to intervene where failure to meet the standards has caused, or could have caused, serious harm to tenants. The 4 consumer standards are:

1. Home Standard 2015
2. Tenancy Standard 2015
3. Neighbourhood and Community Standard 2015
4. Tenant Involvement and Empowerment Standard 2017

The consumer standards and the Rent Standard do not apply to all types of housing. The following exclusions should be noted:

1. the Rent Standard and the consumer standards do not apply to 100% owned Low Cost Home Ownership

2. the Rent Standard does not apply to less than 100% owned Low Cost Home Ownership, nor to certain types of housing detailed in the Rent Standard Guidance including intermediate rent
3. the Tenancy Standard does not apply to intermediate rent nor to less than 100% owned Low Cost Home Ownership

The Regulator of Social Housing's approach

Guidance on the approach the regulator takes to assessing registered providers' compliance with the regulatory standards is set out in [Regulating the standards](#).

Details of this approach, where there are issues of non-compliance with the regulatory standards, can be found in [Guidance on the regulator's approach to intervention, enforcement and use of powers](#).

The Regulators annual [Consumer Regulation Reviews](#) explain more about the regulator's approach to consumer regulation and include case studies and lessons learned.

Regulatory standards: www.gov.uk/guidance/regulatory-standards

Rent Standard guidance

How social housing rents are set: www.gov.uk/government/publications/rent-standard-guidance

1.3 Specific expectations and the outcomes that providers are expected to achieve

Regulatory standards contain specific expectations and the outcomes that providers are expected to achieve. Providers' boards and local authority councillors who govern service delivery are responsible for meeting the relevant standards and determining how this is done.

Tenancy Standard

1. Required outcomes

1.1.1 Registered providers shall let their homes in a fair, transparent and efficient way. They shall take into account the housing needs and aspirations of tenants and potential tenants. They shall demonstrate how their lettings:

- (a) make the best use of available housing
- (b) are compatible with the purpose of the housing
- (c) contribute to local authorities' strategic housing function and sustainable communities

2 Specific expectations

2.1.1 Registered providers shall co-operate with local authorities' strategic housing function, and their duties to meet identified local housing needs. This includes assistance with local authorities' homelessness duties, and through meeting obligations in nominations agreements.

2.2 Tenure

2.2.1 Registered providers shall publish clear and accessible policies which outline their approach to tenancy management, including interventions to sustain tenancies and prevent unnecessary evictions, and tackling tenancy fraud, and set out:

- (a) The type of tenancies they will grant.
- (b) Where they grant tenancies for a fixed term, the length of those terms.
- (c) The circumstances in which they will grant tenancies of a particular type.
- (d) Any exceptional circumstances in which they will grant fixed term tenancies for a term of less than five years in general needs housing following any probationary period.
- (e) The circumstances in which they may or may not grant another tenancy on the expiry of the fixed term, in the same property or in a different property.
- (f) The way in which a tenant or prospective tenant may appeal against or complain about the length of fixed term tenancy offered and the type of tenancy offered, and against a decision not to grant another tenancy on the expiry of the fixed term.
- (g) Their policy on taking into account the needs of those households who are vulnerable by reason of age, disability or illness, and households with children, including through the provision of tenancies which provide a reasonable degree of stability.

(h) The advice and assistance they will give to tenants on finding alternative accommodation in the event that they decide not to grant another tenancy.

(i) Their policy on granting discretionary succession rights, taking account of the needs of vulnerable household members.

Rent Standard

2.7 Registered providers shall provide clear information to tenants that explains how their rent and any service charge are set, and how they are changed, including reference to the CPI benchmark to which annual changes to rents should be linked (except where rents are controlled under different legislation).

Regulatory standards: www.gov.uk/guidance/regulatory-standards

1.4 Teignbridge Council Strategy 2016 – 2025

At the heart of our strategy are the Teignbridge Ten super projects. These are ten connected areas of work, which will each have a widespread impact on the economy, community wellbeing and the environment. Two in particular are relevant to this strategy:

A roof over our heads

Provision of homes, particularly affordable homes, brings very significant health and wellbeing benefits to our communities, helps to retain young people in the area who may otherwise be unable to remain, and provides many local construction jobs. In addition, our actions will help towards reducing poverty and deprivation.

Actions

1. Make sure our plans take full account of all housing needs including those of older people, vulnerable people, self build, traveller and rural housing
2. Continue to deliver affordable housing, including through negotiations with market housing developers
3. Evaluate options for developing affordable rented housing, including the viability of a housing company
4. Improve housing conditions and reduce empty homes through a range of measures, including enforcement
5. Prevent homelessness wherever possible

Health at the heart

We will aim to achieve healthier and more active communities with improved physical and mental health by working in partnership with others to reduce health inequalities between communities.

Housing that meets the needs of older, disabled and vulnerable people along with grants for home improvements and adaptations will improve the health of older people and give them more independence in their own homes.

Actions

1. Deliver health interventions, educational and physical activity programmes to local communities most in need
2. With others, we will target home improvement measures such as loans and grants for those in greatest need
3. Deliver disabled facility grants to enable those with long term health and care needs to remain at home independently
4. With others, deliver and support specialist and adapted housing to meet identified needs
5. Design new developments to create places that are safe, inclusive, and accessible to all and promote social interaction and a healthy, active lifestyle

www.teignbridge.gov.uk/councilstrategy

1.5 Teignbridge Council Housing and Homelessness Strategies 2015 - 2020

Housing is the cornerstone of building strong communities. The availability and quality of housing can directly affect people's health and wellbeing and their educational attainment, as well as affecting local levels of deprivation and crime. The delivery of new housing also brings benefits to the local economy.

The strategies set out what the council, and its partners, will be doing over the next few years to improve the housing situation for our current and future residents. The themes reflect the broad range of work that we do to meet local housing need, from developing affordable housing, to preventing homelessness, whilst maintaining housing standards and helping people to stay independent in their own homes.

A place to live

- a) Maximise the delivery of affordable housing according to need
- b) Make sure that local housing is in a good state of repair
- c) Make best use of existing stock

Access to services

- a) Make information easy to understand, increase self-service and listen to customers
- b) Prevent homelessness and give support to those in crisis
- c) Work with partners to increase the coverage and impact of services

Healthy lives

- a) Offer advice and services to help people to stay independent and to maintain their health and wellbeing
- b) Reduce the housing factors that can lead to accidents and ill health
- c) Take a holistic approach to meet people's health needs in the home

Money matters

- a) Help people to manage money to keep a roof over their heads
- b) Help people access different financial solutions
- c) Make sure we get value for money

www.teignbridge.gov.uk/housingstrategy

1.6 National Planning Policy Framework (2018): Definition of affordable housing

As updated on 24 July 2018, the revised National Planning Policy Framework sets out government's planning policies for England and how these are expected to be applied.

Affordable housing: housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers); and which complies with one or more of the following definitions:

a) Affordable housing for rent: meets all of the following conditions: (a) the rent is set in accordance with the Government's rent policy for Social Rent or Affordable Rent, or is at least 20% below local market rents (including service charges where applicable); (b) the landlord is a registered provider, except where it is included as part of a Build to Rent scheme (in which case the landlord need not be a registered provider); and (c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision. For Build to Rent schemes affordable housing for rent is expected to be the normal form of affordable housing provision (and, in this context, is known as Affordable Private Rent).

b) Starter homes: is as specified in Sections 2 and 3 of the Housing and Planning Act 2016 and any secondary legislation made under these sections. The definition of a starter home should reflect the meaning set out in statute and any such secondary legislation at the time of plan-preparation or decision-making. Where secondary legislation has the effect of limiting a household's eligibility to purchase a starter home to those with a particular maximum level of household income, those restrictions should be used.

c) Discounted market sales housing: is that sold at a discount of at least 20% below local market value. Eligibility is determined with regard to local incomes and local house prices. Provisions should be in place to ensure housing remains at a discount for future eligible households.

d) Other affordable routes to home ownership: is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low cost homes for sale (at a price equivalent to at least 20% below local market value) and rent to buy (which includes a period of intermediate rent). Where public grant funding is provided, there should be provisions for the homes to remain at an affordable price for future eligible households, or for any receipts to be recycled for alternative affordable housing provision, or refunded to Government or the relevant authority specified in the funding agreement. www.gov.uk/government/publications/national-planning-policy-framework--2

1.7 Links to relevant legislation and guidance

Housing Act 1985 (flexible tenancies)

www.legislation.gov.uk/ukpga/1985/68/part/IV/crossheading/flexible-tenancies

Housing Act 1996

www.legislation.gov.uk/ukpga/1996/52/contents

Housing and Regeneration Act 2008 (Regulation of Social Housing)

www.legislation.gov.uk/ukpga/2008/17/contents

Localism Act 2011 (see below)

www.legislation.gov.uk/ukpga/2011/20/contents

National Planning Policy Framework – 2018 (Definition of affordable housing)

www.gov.uk/government/collections/revised-national-planning-policy-framework

Social Housing Rents (Exceptions and Miscellaneous Provisions) Regulations 2016 (Formula rent)

www.legislation.gov.uk/uksi/2016/390/contents/made

Teignbridge Allocations Policy (Local lettings agreement)

www.devonhomechoice.com/useful-information-0

Teignbridge Council Strategy

www.teignbridge.gov.uk/council-and-democracy/council-information/strategies-policies-and-performance/strategies-and-plans/

Teignbridge Housing and Homelessness Strategies

www.teignbridge.gov.uk/council-and-democracy/council-information/strategies-policies-and-performance/strategies-and-plans/

Town and Country Planning Act 1990 (Planning obligations under Section 106)

www.legislation.gov.uk/ukpga/1990/8/contents

Welfare Reform and Work Act 2016 (Social housing rents)

www.legislation.gov.uk/ukpga/2016/7/contents

Prevention of Social Housing Fraud Act 2013

www.legislation.gov.uk/ukpga/2013/3/contents

Allocation of accommodation: guidance for local housing authorities in England

www.gov.uk/government/publications/allocation-of-accommodation-guidance-for-local-housing-authorities-in-england

2 Affordability

2.1 Balancing the housing market

‘Paying for housing, whether rent or mortgage payments, is the single biggest cost for many households. The proportion of people in the poorest fifth of the working-age population of the UK who spend more than a third of their income (including Housing Benefit) on housing costs has risen from 39% in 1994/95 to 47% in 2015/16. This has been driven in part by the rise in the number of people renting in the private sector, where costs are highest.’

‘Households in the private rented sector were more likely to spend over a third of their income on housing than those in any other sector. However, since 2010 and the introduction of affordable rent, based on 80% of the gross market rent, there has been a rise in the proportion of those in the social rented sector spending a similar proportion of their income.’

([JRF Analysis Unit](#))

Access to low-cost social rented housing is key in preventing low income families being cast into poverty. However, the cost of renting in both the private rented and social housing sectors has steadily increased in recent years.

Our strategy proposes a local housing framework, which would find a balance to establishing a range of rents in relation to local incomes, whilst also enabling social housing providers to develop and maintain property, as well as manage homes through the tenancies they offer.

Local housing allowance (LHA) is used to work out how much housing benefit tenants can get if they rent their home from a private landlord. It is calculated by the Valuation Office Agency under a framework introduced by the Department for Work and Pensions. It is the flat rate rental allowance providing financial assistance towards the housing costs of low income households for different private rental market areas and property types.

Although properties let by registered providers are not subject to the Local Housing Allowance, when setting affordable rents, providers should have regard to the local market context, including the relevant Local Housing Allowance for the Broad Rental Market Area in which the property is located.

It is the opinion of Teignbridge Council that if we are establishing a maximum amount of Housing Benefit, or Universal Credit under the Local Housing Allowance in the private rented sector, then this should also broadly apply to affordable rents in the social sector.

‘Additionally, more than 150,000 of the most affordable rented homes have been lost across England in just five years, according to analysis from the Chartered Institute of Housing (CIH). The organisation is predicting that loss will reach 230,000 by 2020, making it increasingly difficult for people on lower incomes to access a decent home at a price they can afford.’

Figures from the Ministry of Housing, Communities and Local Government and Homes England show that 103,642 local authority homes and 46,972 housing association homes for social rent were lost between 2012 and 2017. Most of the losses were down to homes being converted to ‘affordable rent’, or being sold through the right to buy scheme, while some were demolished.

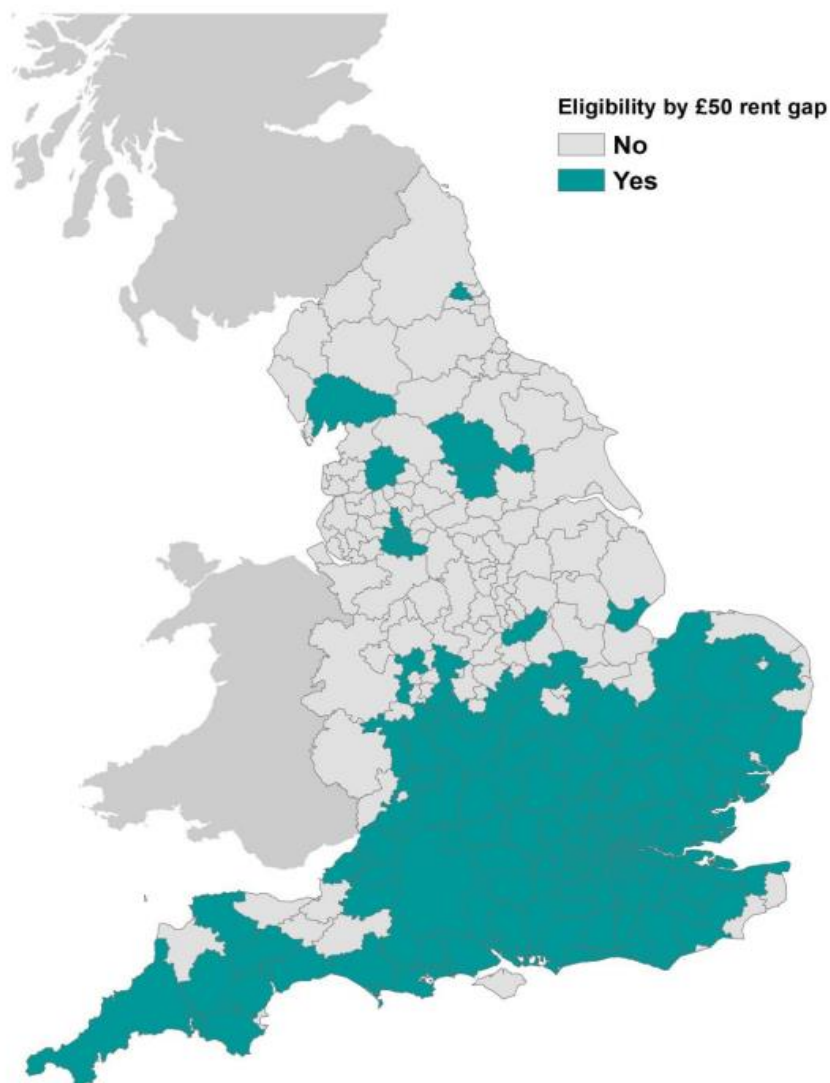
CIH chief executive, Terrie Alafat said: ‘For many people on lower incomes, the only truly affordable option is social rent. It is simply unacceptable that we are losing so many of our most affordable homes at a time when more and more people are in need.’

([Chartered Institute of Housing 2018](#))

2.2 Local housing affordability

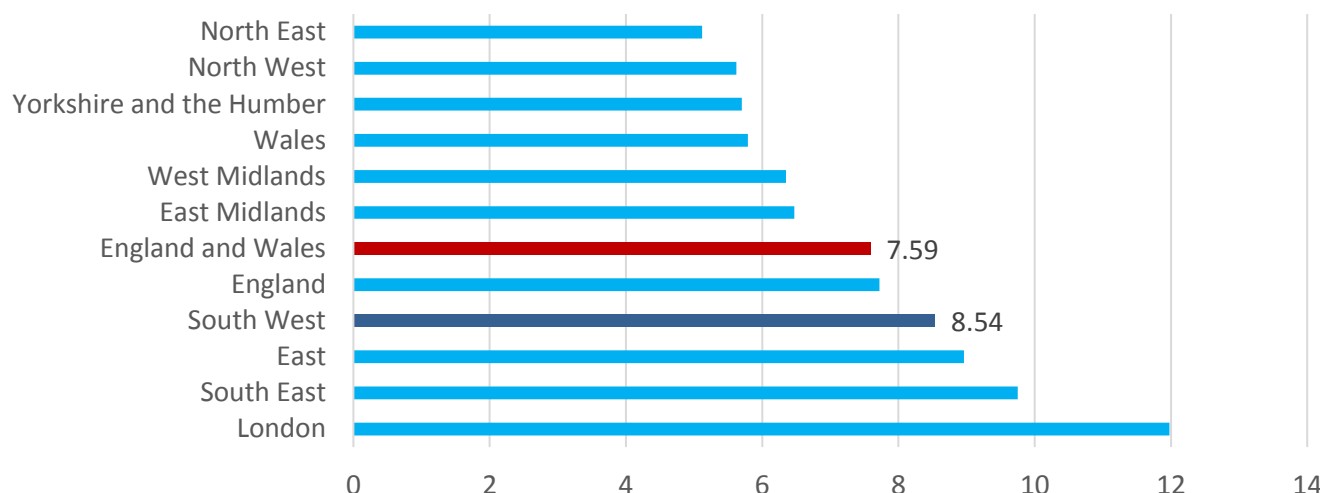
According to a recent government circular, Teignbridge is a local authority in a 'high affordability pressure area', as measured by the difference between social rents and private rents, where the difference is £50, or more per week.

Figure 1: Local authority areas with an average gap between weekly social and private rents above £50



([Social rent addendum to Shared Ownership and Affordable Homes Programme 2016 to 2021](#))

Figure 2: Ratio of median price paid for residential property to median workplace-based gross annual earnings, by region and country. 2016



Source: [The Office of National Statistics](#)

To understand how much people are likely to be able to afford when buying a house, both house prices and annual salary must be considered. Housing in England and Wales became less affordable in 2016 compared with 2015. The affordability ratio increased from 7.37 in 2015 to 7.59 in 2016, which is a 3% increase.

Figure 2 shows the affordability ratio for all regions in England and Wales, including the affordability for England and Wales as a whole. London was the least affordable region with a ratio of 11.98, followed by the South East with 9.75 and the South West with 8.54.

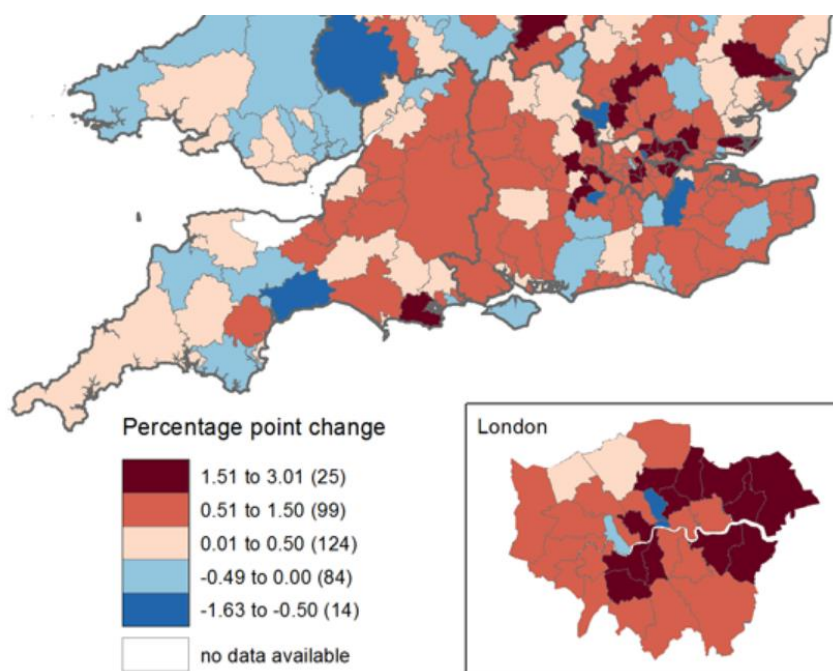
This means that in 2016, a worker in the South West could typically expect to spend around 8.5 times their annual earnings on purchasing a home.

Figure 3: Change in housing affordability ratio, by local authority, England and Wales, 2015 to 2016

Housing affordability appears to have worsened slightly from 2015 to 2016 overall in England and Wales with an increase in affordability ratio. The map shows the geographical spread of the change in affordability ratio from 2015 to 2016 in local authority districts in England and Wales.

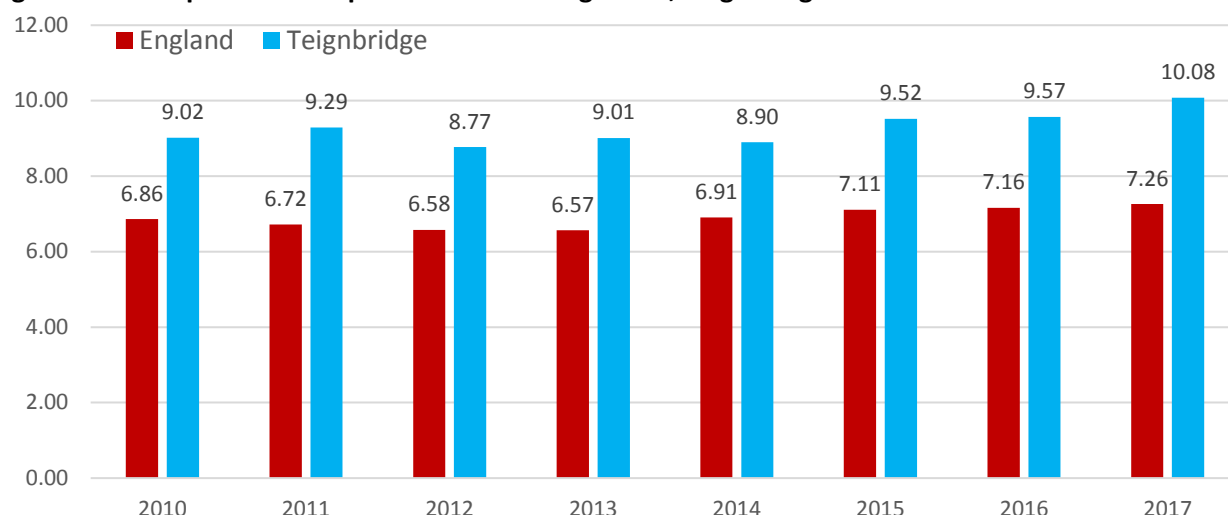
In red are the areas in which affordability ratios increased the most. These are mainly in London and the South East, where house prices are generally more expensive and increasing more rapidly than elsewhere.

West of Exeter, Teignbridge stands alone as a district with a higher affordability ratio increase.



Source: [The Office of National Statistics](#)

Figure 4: House price to workplace-based earnings ratio, Teignbridge 2010 to 2017



Source: [Office for National Statistics](#)

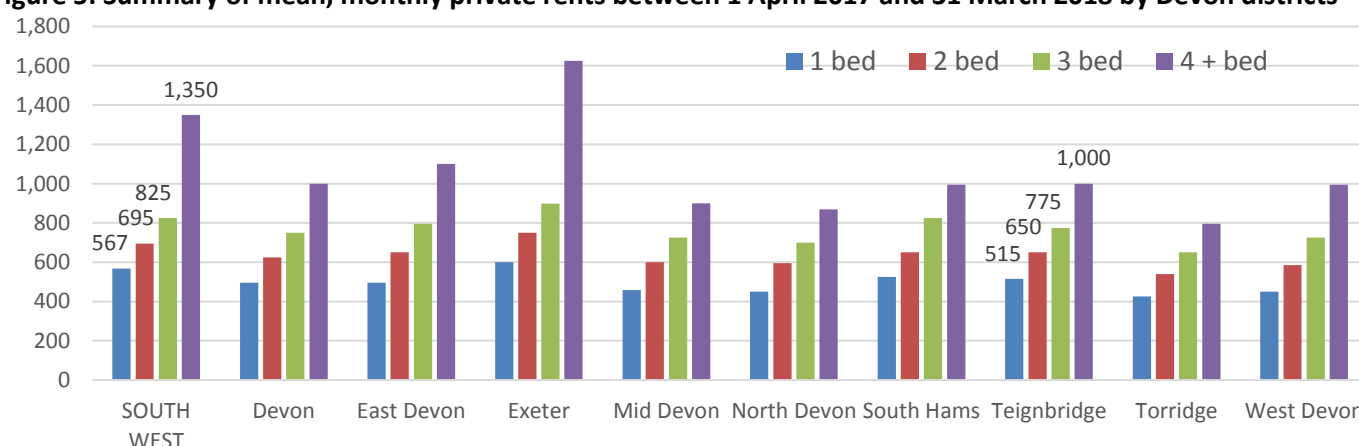
Affordability ratios are calculated by dividing house prices by gross annual workplace-based earnings. Based on the median and lower quartiles of both house prices and earnings in England.

Figure 4 shows the affordability ratio for all regions in Teignbridge, with a ratio of 10.08, meaning that last year a worker in the Teignbridge would expect to spend around 10 times their annual earnings on buying a home.

3 Local private rents

The private rented sector in England has more than doubled in size since 2002 and now consists of 4.5 million households. Private renting is no longer just a short-term housing solution. Over half of renters (56%) are aged 35, or over, and more than one third (36%) of households are families with children. Nearly a quarter of households (24%) have lived in the private rented sector for 10 years or longer. As the cost of home ownership rises and the lack of social housing endures, the private rented sector plays an increasingly important role in housing people.

Figure 5: Summary of mean, monthly private rents between 1 April 2017 and 31 March 2018 by Devon districts



Source: [GOV.UK](#)

In the 2011 Census, Teignbridge reported over 9,000 (16%) homes in the private rented sector, a growth of 18% since the previous Census in 2001. If you apply the same percentage increase, the figure today is likely to be nearing 11,000, which represents around 18% of the local housing stock. Teignbridge also has a low level of social housing stock, 9% compared to England's 18%.

3.1 Local Housing Allowance

Local Housing Allowance was introduced in 2008 and is the way of calculating entitlement under the Housing Benefit scheme and is worked out by the Valuation Office Agency. LHA rates were set up to ensure tenants in similar circumstances and areas could claim similar amounts and so that it was possible to know in advance how much rent could be covered by housing benefit for an specific area. The maximum amount of support a household can claim will depend on where they live, the minimum number of bedrooms they need and their income. It is not based on the rent charged.

In Teignbridge 4,168 (8%) claim housing benefit in order to help cover the cost of their rent. Many of these renters will be working, but their income is not sufficient to cover local private rents, which have been rising consistently for several years.

Originally, LHA was based on median market prices, but was changed in April 2011 to the 30th percentile of local rented accommodation, meaning only 30% of all rented property on the market will cost less and 70% will cost more than housing benefit payments. It was increased by 1% in 2014 and again in 2015. Since April 2016, LHA has been frozen until 2020 to help control the benefits bill.

Teignbridge is split into two parts, known as Broad Rental Market Areas (BRMAs). On the whole properties with an 'EX' postcode will fall into the Exeter BRMA and ones beginning with 'TQ' will fall into South Devon.

[\(Teignbridge LHA\)](#)

Anyone who claims housing benefit is expected to find a home to rent that is cheaper than average for their local area. Housing benefit levels are already set at, or below, the cost of renting a home in the bottom third of the private rental market. Since 2010 housing benefit levels have not risen in line with rising private rents, and the current freeze on LHA means that they will remain frozen at their 2016 levels until 2020, regardless of how much private rents go up by in each local area.

This means that most private renters who need their income topped up by housing benefit will face a monthly shortfall between the actual cost of their rent, and the financial support available.

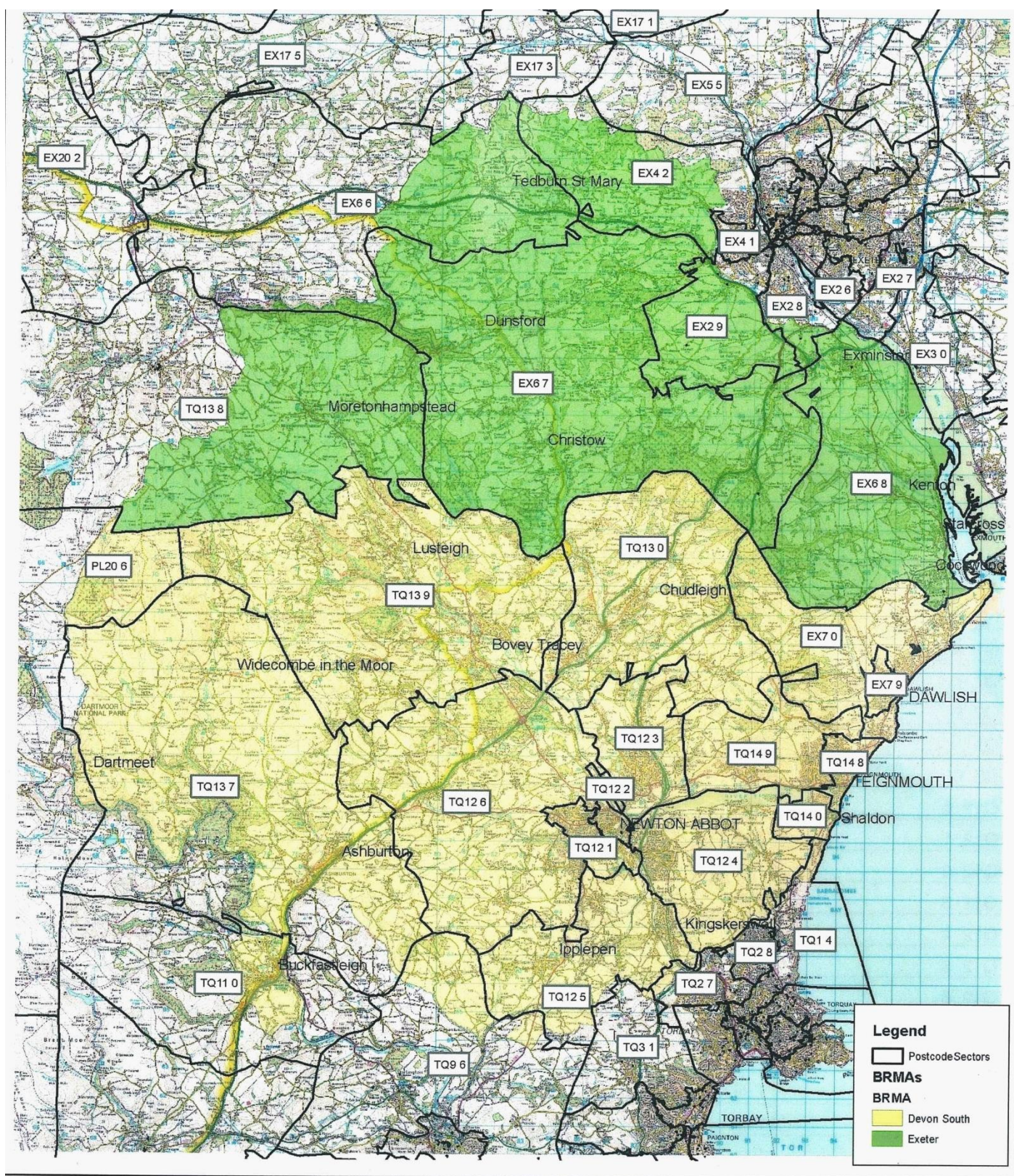
Figure 6: LHA rates compared to mean, weekly private rents between 1 April 2017 and 31 March 2018

	South Devon (TQ) LHA rates	Exeter (EX) LHA rates	South West mean monthly rents	Teignbridge mean monthly rents
1 bed	£96.91	£116.52	£130.85	£118.85
2 bed	£128.19	£141.24	£160.38	£150.00
3 bed	£153.02	£164.79	£190.38	£178.85
4 bed	£192.24	£218.63	£311.54	£230.77

Source: [GOV.UK](#) and [Teignbridge Council](#)

By taking the mean, monthly private rents between 1 April 2017 and 31 March 2018 and breaking them down into weekly rates, we can compare mean, private rents against the Local Housing Allowance rates.

Figure 7: Teignbridge Broad Rental Market Areas



Looking more locally at property renting websites, our analysis reveals just how dramatic those shortfalls can be for different sized household types, in different areas.

Figure 8: Snap-shot of current private rents in Teignbridge (November 2018)

Town	BRMA	1 bed	2 bed	3 bed	4 bed
Bovey Tracey	South Devon	£ 112.62	*	£ 198.00	*
Buckfastleigh	South Devon	*	£ 147.00	£ 201.92	*
Dawlish	South Devon	£ 144.00	£ 141.69	£ 211.38	£ 167.08
Kingsteignton	South Devon	£ 126.92	£ 169.85	*	£ 312.00
Moretonhampstead	South Devon	*	£ 156.00	£ 137.08	*
Newton Abbot	South Devon	£ 126.69	£ 158.08	£ 213.46	£ 219.00
Teignmouth	South Devon	£ 120.69	£ 158.08	£ 201.92	*
Average rent	South Devon	£ 126.18	£ 155.12	£ 166.25	£ 232.69
LHA	South Devon	£96.91	£128.19	£153.02	£192.24
Average shortfall	South Devon	£-29.27	£-26.93	£-13.23	£-40.45

Christow	Exeter	*	*	*	£ 288.00
Kenn	Exeter	*	£ 229.85	*	*
Starcross	Exeter	£ 141.92	£ 164.54	*	*
Tedburn St Mary	Exeter	*	£ 178.15	£ 300.00	*
Average rent	Exeter	£ 141.92	£ 190.85	£ 300.00	£ 288.00
LHA	Exeter	£116.52	£141.24	£164.79	£218.63
Average shortfall	Exeter	£-25.40	£-49.61	£-135.21	£-69.37

Source: [zoopla](#)

4 Social and affordable rents

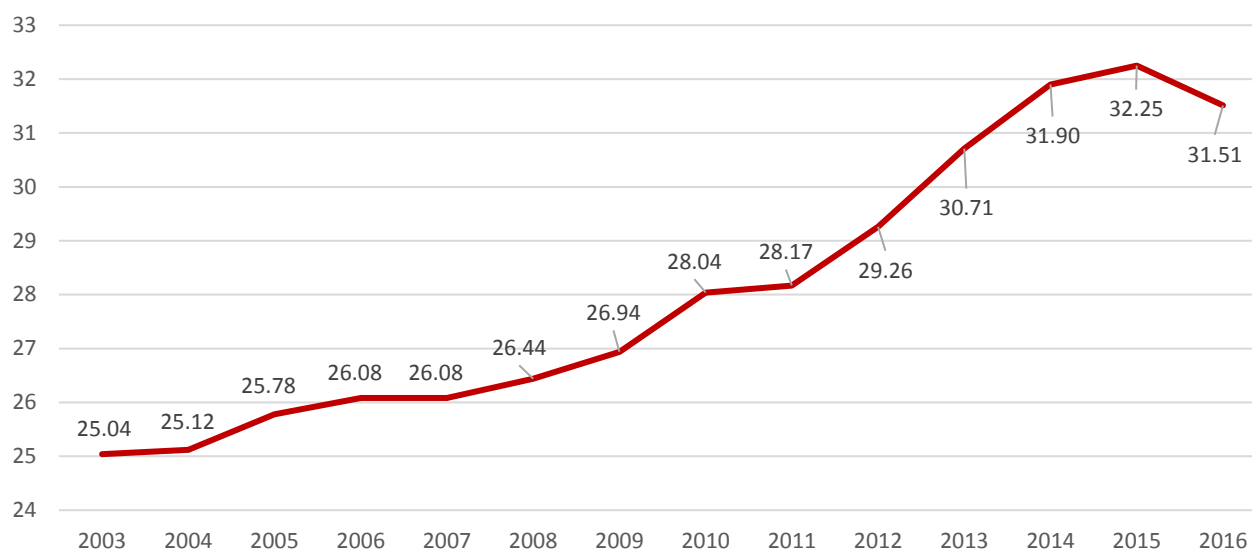
4.1 Background

Prior to 2010, councils and housing associations built 'social rented' housing, often called council housing. Rents were based on a 'rent formula' that combined local wages and local property values, so that for much of southern England, rents would be set at around 50% of local market rents, even lower in very expensive areas. Social housing rents allowed people to work without being dependent upon housing benefit.

In 2010 the Coalition Government expressed a desire to build more homes for less public money and in the October 2010 Spending Review the government announced their intention to introduce a new 'intermediate rent'. Under this model registered providers could offer tenancies at rents of up to 80% of market rent levels within the local area. The intention being that the additional finance raised would be made available for reinvestment in the development of new affordable housing. Essentially, this model replaced capital grant supply subsidy for social housing with a revenue subsidy.

Affordable Rents are more expensive than social rents throughout England, however in areas of high house prices, the difference is noticeably larger, particularly in the Southern Regions. Of course, the increased income allows registered providers to deliver better services, more homes and more local investment and Affordable Rent can be a good option for some people on middle incomes who just need a little help. However, is unlikely to be truly affordable for those in the most housing need. Without more new social rented homes, more and more people on low incomes, or who are homeless, will be offered no option, other than a home with a rent they can't afford, forcing them to rely on housing benefit to bridge the gap.

Figure 9: Average weekly social rent cost as a percentage of tenth percentile weekly salary, England, 2003 to 2016



Source: [The Office of National Statistics](#)

Figure 9 shows the average weekly social rent costs as a percentage of 10th percentile weekly salary for England and for Wales between 2003 and 2016. The higher the percentage value, the less affordable it is considered to be.

Tenth percentile gross weekly salary is used as the measure for earnings in the affordability ratio, as the individuals most likely to socially rent are those with the lowest earnings. The percentages presented here do not take into account any rent reductions for those receiving benefits and are based on general needs social housing provided by registered providers, not local authority.

Generally, social rent has become less affordable for England since 2003. In 2016, the average weekly social rent cost as a percentage of 10th percentile weekly salary in England was 31.5, meaning that someone earning at the lowest 10% of earnings could expect to spend 31.5% of their weekly earnings on social rent.

4.2 Income limits on social housing

From April 2015, the government made it possible for social landlords to charge a full market rent where a social tenant household has an annual income of at least £60,000. This was designed to allow landlords to make better use of their social housing, rather than requiring them to provide sub-market rent properties to households with relatively high incomes.

It should be noted that within the Devon Home Choice Allocations Policy (Paragraph 2.74) 'Households with a gross household income more than six times higher than the relevant Local Housing Allowance level prevailing in Devon at the time will normally be considered to be able to meet their housing need, through either renting privately or owner occupation. Such households will normally have their applications placed in the 'No housing need' band (E), or removed from the Devon Home Choice register in those local authority areas which do not register households with no housing need.'

Figure 10: Income limit on Devon Home Choice

Bed size	Exeter	Income limit	South Devon	Income limit
1 Bed Self Contained	£116.52	£36,354	£96.91	£30,236
2 Beds	£141.24	£44,067	£128.19	£39,995
3 Beds	£164.79	£51,414	£153.02	£47,742
4 Beds & above	£218.63	£68,213	£192.24	£59,979

[Devon Home Choice Allocation Policy](#)

4.3 Properties let through Devon Home Choice

In October 2018 Teignbridge Housing Services became aware that some rents being advertised on Devon Home Choice were at, or above the Local Housing Allowance rates. Figure 11 details all of these properties, specifying the amount by which the total rent, including eligible service charges, was at, or above the LHA rate. All the other information was collected directly from the adverts as they appeared on the Home Connection software.

Figure 11: Properties let through Devon Home Choice at or above the Local Housing Allowance since 2017

Devon Home Choice advert summary 2017/18						
Advert ref	Address	Area	Landlord	Total rent pw £	Above LHA £	Rent In Advance (as per ad)
3534856	Old Quarry Drive	Exminster	Aster	145.00	3.76	4 weeks
3535464	Exminster	Exminster	Aster	143.60	2.36	4 weeks
3534518	Milbury Farm	Exminster	Aster	116.52	0.00	4 weeks
3536963	Egret Close	Dawlish	Cornerstone	126.92	10.40	1 month
3535264	Millin Way	Dawlish	Cornerstone	165.23	0.44	TBC
3533872	Russell House	Newton Abbot	Guinness	116.42	19.51	1 month
3534754	Orchard House	Chudleigh	Guinness	114.39	17.48	
3537054	Beechcroft	Teignmouth	Guinness	109.29	12.38	2 months
3534982	Quinnell House	Teignmouth	Guinness	100.70	3.79	1 week
3507899	Quinnell House	Teignmouth	Guinness	100.67	3.76	
3537305	Quinnell House	Teignmouth	Guinness	99.93	3.02	2 weeks
3536911	Greenhill Sheltered	Kingsteignton	Guinness	97.07	0.16	2 month
3534412	Templer Place	Bovey Tracey	LiveWest	218.63	9.57	
3536260	Heath Walk	Bovey Tracey	LiveWest	150.00	10.27	
3536154	Mountford Drive	Bovey Tracey	LiveWest	150.00	10.27	
3534409	Templer Place	Bovey Tracey	LiveWest	116.52	10.65	
3534409	Templer Place	Bovey Tracey	LiveWest	116.52	10.65	
3507979	Tamworth Close	Ogwell	LiveWest	145.19	5.83	
3534641	Lockyear Place	Bovey Tracey	LiveWest	170.00	3.90	
3534641	Lockyear Place	Bovey Tracey	LiveWest	170.00	3.90	
3534641	Lockyear Place	Bovey Tracey	LiveWest	170.00	3.90	
3534641	Lockyear Place	Bovey Tracey	LiveWest	170.00	3.90	
3534641	Lockyear Place	Bovey Tracey	LiveWest	170.00	3.90	
3534641	Lockyear Place	Bovey Tracey	LiveWest	170.00	3.90	
3536153	Mountford Drive	Bovey Tracey	LiveWest	170.00	3.90	
3536962	Foxglove Close	Newton Abbot	LiveWest	169.68	3.61	
3536389	Foxglove Close	Newton Abbot	LiveWest	144.35	5.06	
3536389	Foxglove Close	Newton Abbot	LiveWest	144.35	5.06	
3536389	Foxglove Close	Newton Abbot	LiveWest	144.35	5.06	
3534644	Folly Court	Bovey Tracey	LiveWest	166.34	0.52	
3534644	Folly Court	Bovey Tracey	LiveWest	166.34	0.52	
3534644	Folly Court	Bovey Tracey	LiveWest	166.34	0.52	
3532354	Chariot Drive	Kingsteignton	LiveWest	166.34	0.52	
3534441	Foxglove Close	Newton Abbot	LiveWest	109.69	4.34	
3534441	Foxglove Close	Newton Abbot	LiveWest	109.69	4.34	
3534441	Foxglove Close	Newton Abbot	LiveWest	109.69	4.34	
3534643	Folly Court	Bovey Tracey	LiveWest	139.35	0.44	
3534643	Folly Court	Bovey Tracey	LiveWest	139.35	0.44	

3507839	Vetch Place	Newton Abbot	LiveWest	139.25	0.35	
3526215	Tamworth Close	Ogwell	LiveWest	139.25	0.35	
3507919	Tamworth Close	Ogwell	LiveWest	139.25	0.35	
3534645	Folly Court	Bovey Tracey	LiveWest	105.35	0.34	
3534646	Folly Court	Bovey Tracey	LiveWest	105.35	0.34	
3507855	Tamworth Close	Ogwell	LiveWest	105.27	0.26	
3534648	Folly Court	Bovey Tracey	LiveWest	195.00	2.76	
3507796	Templer Place	Bovey Tracey	LiveWest	154.46	10.44	
3536169	Whitelake Place	Newton Abbot	Sanctuary	104.09	7.18	
3536275	Whitelake Place	Newton Abbot	Sanctuary	103.49	6.58	
3536426	Whitelake Place	Newton Abbot	Sanctuary	103.49	6.58	
3536536	Hawkweed Close	Newton Abbot	Teign	132.69	35.78	
3536533	Hawkweed Close	Newton Abbot	Teign	132.69	35.78	
3536537	Hawkweed Close	Newton Abbot	Teign	132.69	35.78	
3536538	Hawkweed Close	Newton Abbot	Teign	155.77	27.58	
3536538	Hawkweed Close	Newton Abbot	Teign	155.77	27.58	
3536540	Hawkweed Close	Newton Abbot	Teign	155.76	27.57	
3507190	St Marys Court	Newton Abbot	Teign	106.15	9.24	2 weeks min
3534475	Alberta Court	Teignmouth	Teign	100.72	3.81	2 weeks
3506166	Hamlyns Way	Buckfastleigh	Teign	98.15	1.24	2 weeks min
3506166	Hamlyns Way	Buckfastleigh	Teign	98.15	1.24	2 weeks min
3507191	Mapleton Close	Newton Abbot	Teign	97.53	0.62	2 weeks min
3537818	Kings Close Field	Broadhempston	Teign	128.19	0.00	2 weeks min
3535909	Kings Close Field	Broadhempston	Teign	128.19	0.00	2 weeks min
3535622	Charles Road	Kingskerswell	Teign	128.19	0.00	2 weeks min
3537712	Greenhill Road	Kingsteignton	Teign	128.19	0.00	2 weeks min
3537712	Greenhill Road	Kingsteignton	Teign	128.19	0.00	2 weeks min
3537712	Greenhill Road	Kingsteignton	Teign	128.19	0.00	2 weeks min
3537712	Greenhill Road	Kingsteignton	Teign	128.19	0.00	2 weeks min
3537712	Greenhill Road	Kingsteignton	Teign	128.19	0.00	2 weeks min
3537712	Greenhill Road	Kingsteignton	Teign	128.19	0.00	2 weeks min
3536409	Hockmore Drive	Newton Abbot	Teign	128.19	0.00	
3536409	Hockmore Drive	Newton Abbot	Teign	128.19	0.00	
3536811	Hockmore Drive	Newton Abbot	Teign	128.19	0.00	
3536811	Hockmore Drive	Newton Abbot	Teign	128.19	0.00	
3536811	Hockmore Drive	Newton Abbot	Teign	128.19	0.00	
3536402	Hockmore Drive	Newton Abbot	Teign	192.24	0.00	2 weeks min
3536402	Hockmore Drive	Newton Abbot	Teign	192.24	0.00	2 weeks min
3535985	Honeywell	Kingskerswell	Westward	103.32	6.41	2 months
3521618	Honeywell	Kingsteignton	Westward	103.32	6.41	2 months
3536986	Prince Street	Newton Abbot	Westward	101.01	4.10	2 months
3506086	Prince Street	Newton Abbot	Westward	101.01	4.10	2 months

Devon Home Choice advert summary 2018/19						
Advert ref	Address	Area	Landlord	Total rent pw £	Above LHA £	Weeks in advance
3535855	Tamworth Close	Ogwell	LiveWest	116.57	19.66	0
3521624	Tamworth Close	Ogwell	LiveWest	145.59	17.40	0
3507814	Vetch Place	Newton Abbot	LiveWest	134.93	6.74	4 weeks
3538726	Chariot Drive	Kingsteignton	LiveWest	159.20	6.18	0
3537970	Celtic Fields	Dawlish	LiveWest	166.34	1.55	0
3537970	Celtic Fields	Dawlish	LiveWest	166.34	1.55	0
3538394	Celtic Fields	Dawlish	LiveWest	166.34	1.55	0
3538394	Celtic Fields	Dawlish	LiveWest	166.34	1.55	0
3538394	Celtic Fields	Dawlish	LiveWest	166.34	1.55	0
3538394	Celtic Fields	Dawlish	LiveWest	166.34	1.55	0
3538837	Mountford Drive	Bovey Tracey	LiveWest	152.00	23.81	
3538165	Whitelake Place	Newton Abbot	Sanctuary	103.68	6.77	0
3539111	Alberta Court	Teignmouth	Teign	98.66	1.75	2 weeks
3538244	Mapleton Close	Newton Abbot	Teign	98.29	1.38	2 weeks
3527006	Alberta Court	Teignmouth	Teign	97.82	0.91	2 weeks
3506886	Oldway	Chudleigh	Teign	153.02	0.00	2 weeks
3506684	Honeywell	Newton Abbot	Westward	103.32	6.41	1 week

In 2017/18 a total of 388 Teignbridge properties were let via Devon Home Choice. By October 2018/19 a total of 134 properties had been let. In 2017/18 20% of homes let were at, or above the LHA. The following year the number dwindled to 13%, which is due to providers adjusting rents in April each year to meet the 'social rent reduction'; as from April 2016, the Welfare Reform and Work Act 2016 has required social landlords to reduce their rents by 1% each year for four years.

Since contacting the providers, it appears that some properties are indeed over the LHA rates, but also that the rent was sometimes inaccurate on the advertisement. You will also note that 'rent in advance' varies from provider to provider, can be 4 weeks in advance, unconfirmed, or even stated as '2 weeks minimum'. The latter provides no assurances to prospective tenants as to how much they will be paying each week.

Figure 12: Summary of homes let on Devon Home Choice at, or above the Local Housing Allowance since 2017

	2017/18		2018/19	
	Count	%	Count	%
At LHA rate	17	4%	1	1%
Above LHA rate	63	16%	16	12%
Total	80	21%	17	13%

5 Rent setting

5.1 Background

Since 2001, rents for properties let at 'social rent', which constitute a majority of rented social housing properties, have been set based on a formula set by government. This creates a 'formula rent' for each property, which is calculated based on the relative value of the property, relative local income levels, and the size of the property. An aim of this formula-based approach is to ensure that similar rents are charged for similar social rent properties.

In 2011, the government introduced 'affordable rent' which permits rents to be set at up to 80% of market rent (inclusive of service charges). The introduction of affordable rent made it possible to build more homes for every pound of government investment, allowing more people in housing need to have access to a good quality home at a sub-market rent. Landlords can only let new properties at affordable rent where certain conditions apply. Within the terms of the government's affordable homes programmes, existing vacant properties can be converted from social rent to affordable rent in certain circumstances.

Government policy has also limited maximum annual changes in social rent and affordable rent levels. From April 2016, the Welfare Reform and Work Act 2016 has required social landlords to reduce their rents by 1% each year for four years (the 'social rent reduction'). This is designed to help put welfare spending on a more sustainable footing and to ensure that the social housing sector plays its part in helping to reduce the deficit. The social rent reduction is subject to a number of exceptions. Most of these exceptions apply for all four years of the reduction, although some only applied for the first year.

Source: [Guidance on rents for social housing](#)

5.2 Rent policy from April 2020 onwards

In October 2017 the government announced its intention to set a long term rent deal for both local authority landlords and housing associations. This would permit annual rent increases on both social rent and affordable rent properties of up to consumer prices index (CPI) plus 1 percentage point from 2020, for a period of at least five years. This is the percentage change in the CPI over the period of 12 months up to and including the September falling in the previous financial year.

The new policy will come into effect from 1 April 2020. It will not override landlords' statutory obligation to complete the four year social rent reduction as required by the Welfare Reform and Work Act 2016. Where a landlord has not completed the social rent reduction by 31 March 2020 (because its rent year begins after 1 April), it must complete the reduction before the applying the new policy.

Source: [Rents for social housing from 2020-21](#)

5.3 Social rent setting

The Welfare Reform and Work Act 2016 introduced rules around the levels of rents that can be charged by registered providers of social housing to 2021. For the period that the rent under a tenancy of a registered provider's social housing is to be governed by the Act, the rent for that tenancy is not covered by the Rent Standard. Providers are expected to consult the Welfare Reform and Work Act 2016 and the Social Housing Rents (Exceptions and Miscellaneous Provisions) Regulations 2016 to establish how the rules apply to their stock, taking legal advice if they consider it necessary.

Source: [Regulatory Standards](#)

Relevant legislation

[Welfare Reform and Work Act 2016](#)

[Social Housing Rents \(Exceptions and Miscellaneous Provisions\) Regulations 2016](#)

5.4 Affordable rent setting

Affordable Rent means a rent (inclusive of service charges) which does not exceed eighty per centum (80%) of the market rent for an equivalent property of the relevant size and location such rent to be assessed and set in accordance with the requirements of the Rent Standard

Source: [Affordable Homes Programme 2015 to 2018](#)

Source: [Guidance on rents for social housing](#)

Rent Standard: Affordable rent guidance

The Rent Standard sets out that Affordable Rent terms can only be used in relation to accommodation pursuant to a housing supply delivery agreement entered into between a registered provider and the Homes and Communities Agency (HCA) or the Greater London Authority (GLA).

Where the housing supply delivery agreement is entered into under the Affordable Homes Programme, this should take the form of either a Framework Delivery Agreement (FDA), or a Short Form Agreement (SFA) for new social housing supply.

Gross market rents are generally expressed inclusive of any service charges. An Affordable Rent, set at up to 80% of the gross market rent, should take account of the service charge for a property (where applicable) and reflect the property size and location. The maximum rent level for Affordable Rent should be assessed according to the individual characteristics of the property. Landlords are required to assess the gross market rent that the individual property would achieve and set the initial rent (inclusive of service charges) at up to 80% of that level.

Supported housing

Housing for vulnerable and older people often includes a range of services to support the particular needs of the client group. When setting an Affordable Rent, the gross market rent comparables should be based on similar types and models of service provision. Where there are insufficient comparables for similar types of provision in the local area, valuers should be requested to identify comparables from other areas, and extrapolate their best view of the gross market rent that would be applicable in the location in which the property is situated. Registered providers should set the initial rent at up to 80% of that level.

A tenancy where a registered provider is the landlord is excluded from mainstream Local Housing Allowance rules. But landlords should consider the local market context when setting rents, including the relevant Local Housing Allowance for the Broad Rental Market Area in which the property is located.

In all cases, an Affordable Rent should be no lower than the rent calculated based on the formula rent. In cases where an Affordable Rent would otherwise be lower than the formula rent for a property, the formula rent will constitute a 'floor' for the rent to be charged.

Valuations for initial rent setting

Valuations for initial rent setting should be in accordance with a Royal Institution of Chartered Surveyors (RICS) recognised method.

Source: [Rent Standard guidance](#)

6 Contact details

If you need this information in another format please contact us

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