

# Affordable Rent Policy

Originator:	Policy and Strategy Team
Executive Management Team Approval Date:	May 2024
Review date:	May 2027

<b>1</b>	<b>Introduction</b>
1.1	Within its rental housing stock One Vision Housing (OVH) have a number of new-build properties that are let on 'Affordable Rents' that have been part funded with grant from the Shared Ownership and Affordable Housing Programme, administered by Homes England.
1.2	This Policy sets out the provisions OVH has in place for the allocation, letting and tenancy management functions for its Affordable Rent properties.
1.3	In managing Affordable Rent housing, OVH will comply with the relevant legislation and the Regulatory Framework for Social Housing providers. The principal Acts and Standards include: <ul style="list-style-type: none"> <li>• The Housing Act 1985 – As amended</li> <li>• The Housing and Regeneration Act 2008</li> <li>• The Localism Act 2011</li> <li>• The Welfare Reform and Work Act 2016</li> <li>• The Tenancy Standard</li> <li>• The Rent Standard</li> </ul>
1.4	<b>Access and Communication</b>
1.4.1	OVH is committed to ensuring that its services are accessible to everyone. OVH will seek alternative methods of access and service delivery where barriers, perceived or real may exist, that may make it difficult for people to work for OVH or use its services.
1.5	<b>Equality, Diversity and Human Rights</b>
1.5.1	OVH is committed to ensuring that no person or group of persons will be treated less favourably than another person or group of persons and will carry out our duty with positive regard for the following core strands of equality; Age, Disability, Gender, Race, Gender Identity / Gender Expression, Sexual Orientation and Religion and / or Belief.
1.5.2	OVH also recognise that some people experience disadvantage due to their socio-economic circumstances, employment status, class, appearance, responsibility for dependants, unrelated criminal activities, being HIV positive or with AIDS, or any other matter which causes a person to be treated with injustice.

<p>1.5.3</p> <p>1.6</p>	<p>OVH will also ensure that all services and actions are delivered within the context of current Human Rights legislation. OVH will endeavour to ensure its staff and others with whom it works, will adhere to the central principles of the Human Rights Act (1998).</p> <p>This Policy should be read in conjunction with:</p> <ul style="list-style-type: none"> <li>• OVH Allocations Policy</li> <li>• Choice Based Lettings Policies (in OVH areas of operation)</li> <li>• OVH Shared Ownership Policy</li> <li>• OVH Complaints, Appeals and Feedback Policy</li> </ul>
<p><b>2</b></p>	<p><b>Statement of Intent</b></p>
<p>2.1</p> <p>2.2</p> <p>2.3</p> <p>2.4</p> <p>2.5</p>	<p>OVH will utilise a variety of different letting options including Affordable Rented properties, to meet housing need and create balanced, sustainable communities in the areas of its operations.</p> <p>OVH will maximise its resources including access to grant and reinvesting rental revenue above and beyond operating costs, to improve the condition and increase supply of low-cost housing in the areas of its operations.</p> <p>Properties that are let on Affordable Rents will be advertised via sub-regional Choice Based Lettings Schemes where banding criteria in line with the Reasonable Preference Categories / Nomination Rights with local authorities will apply and via OVH’s own Allocations Policy.</p> <p>Before applicants for housing are offered an Affordable Rent property, OVH will ensure they can afford the rent and any inclusive service charges by conducting an affordability test.</p> <p>OVH will meet the letting requirements on first and subsequent lets for Affordable Rent new-build properties where any Section 106 Agreements with local authorities may be in place.</p>
<p><b>3</b></p>	<p><b>Policy</b></p>
<p>3.1</p> <p>3.1.1</p>	<p><b>Allocations, Affordability Tests and Advance Payments</b></p> <p>OVH will allocate vacant Affordable Rent properties in the following ways:</p> <ul style="list-style-type: none"> <li>• Via <b>Choice Based Lettings Schemes</b> (sub-regional schemes or those run by individual local authorities) in areas of operation. In these circumstances allocations will be made according to the scheme conditions and in line with the ‘Reasonable Preference Categories’ i.e. on priority banding categories according to the highest housing need and in date order</li> <li>• Via the <b>OVH Allocations Policy</b> (where OVH can let properties outside of ‘Nomination Agreements – specifying a percentage of lets to be made from housing waiting lists. In these circumstances OVH would in most cases follow the ‘Reasonable Preference Categories’ although may also act outside of these categories at its discretion e.g. allowing under-occupation if affordability tests are met, to make the best use of resources)</li> </ul>

- 3.1.2** For both allocation routes OVH will require the applicant(s) to complete an 'Affordability Test' to ensure their income is sufficient to cover rent and all-inclusive service charges and other living expenses.
- 3.1.3** If for any reason applicants were to fail the affordability test, OVH may refuse to allocate a property at Affordable Rent but would make the applicant aware of alternative housing choices, including 'Social Rent' properties and would signpost for advice on housing options.
- 3.1.4** For tenants paying full rent, OVH will require one rent period (usually one week's rent) payment in advance which can be paid in cash or via debit / credit card. Those setting up Direct Debits will be required to pay two weeks rent in advance and maintain payments until the Direct Debit takes effect.
- 3.2 Rent Setting and Review**
- 3.2.1** Initial rents for 'Affordable Housing' will be set at up to 80% of the current market value following an independent assessment by a Royal Institution of Chartered Surveyors (RICS) registered valuer (taking into account the individual characteristics of the property, its size and location).
- 3.2.2** Individual valuations may not be required where adequate comparables exist from recent valuations of similar properties.
- 3.2.3** Where OVH relets an Affordable Rent property to a new tenant a new evaluation must be obtained unless, as above, other comparables exist and the valuation can be achieved via desk-top means. Where OVH relets to an existing tenant no new valuation is required.
- 3.2.4** Affordable Rents are set no lower than the potential 'Formula Rent' for the property (set by government based on the relative value of the property, its size and relative local income levels).
- 3.2.5** In all Affordable Rent properties, the rent payable is inclusive of service charges for any additional services provided by OVH e.g. grounds maintenance.
- 3.2.6** OVH will be permitted to increase rents on an annual basis by no more than Consumer Price Index (CPI) figure+1% (for the period 2020-26 – unless stipulated by government direction) to be applied on the 1<sup>st</sup> April each year (with the CPI figure calculated the previous September). OVH will give Affordable Rent tenants at least 28 days' notice in writing of any rent increases it intends to apply.
- 3.2.7** Where OVH relets a property at the end of the fixed term to an existing tenant (see 3.3. below) the revised rent on re-letting will only be re-based to 80% of current market value (where the resulting rent would be no more than the rent arrived at by a CPI+1% increase).
- 3.3 Tenancy Term and Type**
- 3.3.1** When letting Affordable Rent Properties, OVH will issue 'Fixed Term' Assured Shorthold Tenancies for a minimum period of Two years and in most cases a term of Five years-renewable or on long term periodic assured tenancies (according to any conditions of grant that are stipulated by Homes England).

3.3.2	When Affordable Rent Properties are available for rent, OVH will make it known to prospective tenants the term and type of tenancy that will be offered.
3.3.3	For Affordable Rent properties let on fixed term tenancies, in the final year of the tenancy and no less than Six Months before it is due to expire OVH will contact the tenants to discuss their housing options (provided there has been no previous breach of tenancy conditions requiring OVH to seek possession or the tenant has not relinquished the tenancy earlier).
3.3.4	<p>Options available to OVH at the Six Month point when the tenancy is due to expire include the following:</p> <ul style="list-style-type: none"> <li>• Inform the tenant(s) that the tenancy will be brought to an end when the term expires and will serve a Notice Seeking Possession (giving not less than Two Months' notice – unless otherwise stipulated by government guidance). In these circumstances OVH would offer timely and reasonable advice to the existing tenants about their future housing options</li> <li>• Extend the fixed term tenancy for a further period (usually an additional Five Years). In these circumstances OVH will take the following factors into consideration in making decisions: <ul style="list-style-type: none"> <li>○ The conduct of the tenancy with any tenancy breaches e.g. rent arrears, damage to property or anti-social behavior, likely to influence a decision to bring the tenancy to an end</li> <li>○ Individual circumstances that may mean a move of property would cause the household undue difficulties, non-exhaustive examples including: <ul style="list-style-type: none"> <li>▪ The tenant(s) have dependent children that attend a school or college that is within reasonable travelling distance from the home</li> <li>▪ The tenant(s) are close to a support network e.g. specialist medical facilities or childcare arrangements</li> <li>▪ The tenant(s) are in receipt of OVH Independent Living services</li> <li>▪ The tenant(s) access employment or training opportunities within reasonable travelling distance of the home</li> </ul> </li> </ul> </li> <li>• Depending on the financial circumstances of the tenants, OVH may consider (in agreement with the tenants) converting the tenancy to 'Shared Ownership' as a route to low-cost home ownership – see <b>OVH Shared Ownership Policy</b> for full details</li> </ul>
3.3.5	Decisions to bring a tenancy let at Affordable Rent to an end or to extend the term of the tenancy will be taken by OVH with input from Neighbourhood Officers, Independent Living Officers- (if appropriate) and Team Leaders –with the final decision being the responsibility of Neighbourhood Services Managers.
3.3.6	Decisions to convert the tenancy into a 'Shared Ownership' product will be taken in full consultation with the tenants and will only proceed if this is a viable and acceptable option for them.
3.4	<b>Tenancy Rights and Responsibilities</b>
3.4.1	Tenancies issued for Affordable Rent properties are essentially the same as those issued for 'Social Rent' properties (except the fixed term letting period). All rights and responsibilities of both OVH as the landlord and tenant will be outlined in detail in the Tenancy Agreement, issued at the commencement of the tenancy.

3.5	<b>Appeals</b>	
3.5.1	Applicants who are refused access to OVH Affordable Rent properties and existing tenants who disagree with OVH decisions to bring tenancies to an end, may appeal decisions via the <b>OVH Complaints, Appeals and Feedback Policy</b> .	
3.5.2	Timescales for lodging appeals after decisions are made will apply and tenants wishing to pursue this course of action should consult the <b>OVH Complaints, Appeals and Feedback Policy</b> for details or contact OVH direct, at the earliest opportunity on <b>0300 365 1111</b> .	
<b>4</b>	<b>Implementation</b>	
4.1	All OVH staff need to be aware of the OVH Affordable Rent Policy to be able to direct any customer queries that may arise.	
4.2	The OVH Neighbourhood Management and Independent Living Team - (where applicable for Affordable Rent properties that are included on the Independent Living service) are responsible for day-to-day housing management functions.	
4.3	The OVH Neighbourhood Managers will be responsible for taking decisions to bring Affordable Rent tenancies to an end or offer extended terms of tenancy. Decisions to offer alternative housing products e.g. Shared Ownership will be jointly agreed between OVH and the tenant(s) and will depend on individual circumstances.	
<b>5</b>	<b>Performance</b>	
5.1	OVH collate performance information on the management of all of its rented properties, including Affordable Rents in the general areas of voids, lettings, rent collection and arrears, anti-social behaviour, complaints handling and delivery of associated services.	
5.2	The collated reports are reviewed by customer representative groups, Managers, Senior Management Team, Risk Assurance Committee and Board Members on a regular basis.	
<b>6</b>	<b>Consultation</b>	
6.1	All OVH staff have been consulted in the development of this Policy.	
<b>7</b>	<b>Review</b>	
7.1	The Policy will be reviewed every three years from the date of Executive Management Team (EMT) approval or sooner if required by changes to OVH working practices, changes in relevant legislation or as a result of system audits.	
<b>8</b>	<b>Equality Impact Assessment</b>	
8.1	Was a full Equality Impact Assessment (EIA) required?	No

8.2	When was EIA conducted and by who?	An EIA Relevance Test was conducted by the Policy and Strategy Manager and Quality and Inclusion Officer in April 2024	
8.3	Results of EIA	The EIA Relevance test did not indicate there were any adverse or differential impacts for any groups with protected characteristics	
<b>9</b>	<b>Scheme of Delegation</b>		
9.1	Responsible committee for approving and monitoring implementation of the policy and any amendments to it	Executive Management Team	
9.2	Responsible officer for formulating policy and reporting to committee on its effective implementation	Director - Housing and Customer Services	
9.3	Responsible officer for formulating, reviewing and monitoring implementation of procedures	Director - Housing and Customer Services	
<b>10</b>	<b>Amendment Log</b>		
<b>Date of revision:</b>	<b>Reason for revision:</b>	<b>Consultation record:</b>	<b>Record of amendments:</b>
This is the first version of this Policy- approved on 4 <sup>th</sup> August 2020	Not Applicable	See Section 6	Not Applicable
21 <sup>st</sup> May 2024	Policy amended to take account of tenure flexibility allowed in Affordable Rent properties as per Capital Funding Guide	See Section 6	<ul style="list-style-type: none"> <li>Amended wording in 3.3 to incorporate use of Periodic Assured tenancies where applicable</li> <li>Job Titles updated throughout</li> <li>EIA Information Updated at Section 8</li> </ul>