



Tenancy Strategy 2020-2025

(For use by Registered Providers operating in the city when determining their Tenancy Policies)



City of
Stoke-on-Trent

Directorate of Housing & Customer Services

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1. Purpose

The Stoke-on-Trent City Council Tenancy Strategy sets out the council's position on the use of social housing tenures in the city to ensure that people at all stages of life can find and live in a quality home they want at a price they can afford.

Registered Providers operating within Stoke-on-Trent must have regard to this Strategy when formulating their respective landlord tenancy policies.

The Council's Tenancy Strategy relates to lettings of all social and affordable rented properties to include adapted, sheltered and extra-care housing. It does not cover lettings to hostels, temporary accommodation or other forms of supported housing.

2. The Aims of the Tenancy Strategy

To use the housing tenures flexibly to achieve the following objectives:

- To ensure that people have access to appropriate accommodation that meets their housing needs.
- To prevent and alleviate homelessness
- To enable and support tenants to move into or remain in employment
- To provide a range of housing options for people in the city

The Tenancy Strategy supports the aim of the city's Housing Strategy to ensure that people at all stages of life can find and live in a quality home they want at a price they can afford.

The Tenancy Strategy supports Registered Providers in delivering the Tenancy Standard¹ which requires all Registered Providers to 'offer tenancies or terms of occupation which are compatible with the purpose of the accommodation, the needs of individual tenants, the sustainability of the community and the efficient use of housing stock.'

¹ <https://www.gov.uk/guidance/regulatory-standards>

3. Outcomes

Delivery of this strategy will help to:

- Build communities which are mixed, sustainable, and attractive places to live
- Reduce homelessness
- Increase the number of people in work and promote financial inclusion
- Retain the local population

This is in line with the Housing Strategy 2017– 2022 and the Stronger Together Strategic Plan for 2016–2020 which sets out the vision and overarching priorities and objectives for the council. The Tenancy Strategy will contribute to the achievement of the following key Stronger Together objectives:

Support our residents to fulfil their potential

The Tenancy Strategy enables people in the city to access good quality accommodation from which they can develop to their full potential.

A commercial council, well governed and fit for purpose, driving efficiency in everything we do

Section 150 of the Localism Act 2011 requires all local housing authorities in England to prepare and publish a Tenancy Strategy.

Support vulnerable people in our communities to live their lives well

The Tenancy Strategy objectives enable and support people in the city to live independently and safely by preventing and alleviating homelessness and ensuring that people have access to appropriate accommodation that meets their housing needs.

4. Legal Framework

Social housing providers have flexibility to offer social housing tenures to facilitate:

- Better use of social and affordable housing to more effectively address housing need
- Better use of social and affordable housing to more effectively contribute to sustainable community outcomes, including in relation to work/employment
- Increased local and customer accountability for the use of social and affordable housing

Section 150 of the Localism Act 2011 requires all local housing authorities in England to prepare and publish a Tenancy Strategy. This strategy sets out the matters to which Registered Providers of social housing in the area are to have regard to when preparing policies relating to:

- The types of tenancies they grant
- The circumstances in which they will grant a tenancy of a particular kind
- The lengths of fixed term tenancies
- The circumstances in which further tenancies may or may not be issued at the end of a fixed term

This Strategy will be kept under review to ensure that it responds to new legislation or housing or welfare policies that require Registered Providers to change how they manage dwellings they own.

There has been a growing recognition of the importance of housing stability for those who rent. The challenges facing renters, including those in the private sector, were recognised in the Government's White Paper, *'Fixing our broken housing market.'*²

In response to consultation on the White Paper the Government have decided not to implement the provisions for fixed term tenancies in the Housing and Planning Act 2016.

Current advice from Government states that social landlords should make decisions about whether to use fixed term tenancies at a local level, in consultation with residents, the wider community, and other social landlords in the area, in order to get the right balance between providing security for individuals and communities, and making best use of the homes available.

² <https://www.gov.uk/government/publications/fixing-our-broken-housing-market>

5. Policy Context

Stoke-on-Trent City Council's Housing Strategy 2017- 2022 sets out the council's objective to improve the condition and liveability of existing homes and rental management practices in Stoke-on-Trent.

At the time of writing this Strategy there are over 8,000 homes managed by Registered Providers in the city. Current estimates for the number of private rented properties in the city range from 21,635 to 24,532. The council own and manage 18,000+ homes. Council homes primarily comprise of two and three bedroom houses, but the council also manages 3,500 bungalows, 6 sheltered schemes and around 3,000 flats across the city.

Evidence from the council's homelessness statistics show that one of the main reasons people cite for losing their last secure home is 'the termination of an assured shorthold tenancy.' In 2018 1,447+ people approached the council and were assessed as they were threatened with homelessness; 1,313 were owed a homelessness duty. In Stoke-on-Trent there are around 35,000 people of working age in receipt of welfare benefits, which equates to around 22% of the working age population. This figure compares to an average of 16.4% of the population of England.

The evidence above (which is described in more detail in the council's Homelessness Review 2019) shows that in order to reduce homelessness it is important to adopt an approach to the city's social housing offer which promotes security of tenure and stability.

All Registered Providers are required to produce a Tenancy Policy which sets out their approach to tenancy types offered in relation to their own housing stock. Within this, social housing providers are required to take account of the council's Tenancy Strategy.

Registered Providers play an important role in meeting housing needs for people in the city by offering longer term, more secure tenancies. Subject to available resources they can also promote sustainable communities by offering attractive housing and provide wider tenancy support for residents, offering access to services which promote employment and financial independence.

The council has made a commitment to offer lifetime tenancies to all tenants following the successful completion of an introductory tenancy period of twelve months.

There is no evidence that fixed term tenancies help to sustain communities or solve housing need and research undertaken suggests that the use of fixed term tenancies has no discernible positive impact on tenant behaviour, nor is it likely to generate substantial additional lettings.

Both nationally and locally a number of Registered Providers who adopted the use of fixed term tenancies have since reverted to lifetime tenancies.

6. Tenancy Types

The council is committed to offering introductory tenancies leading to secure tenancies for all tenants. There are a range of tenancy types available which provide security for tenants whilst ensuring effective use of social housing stock to meet local housing need.

Tenancy types are:

- Introductory/Assured Shorthold Periodic tenancies
- Secure/Assured tenancies (Lifetime Tenancies)
- Fixed-term tenancies
- Other tenancy types as allowed by law

Whilst being committed to the use of introductory tenancies leading to lifetime tenancies for the majority of general needs properties, the council recognises that alongside assured tenancies Registered Providers may want to offer fixed term tenancies in some circumstances in response to the changing needs of their customers and to help make best use of available housing.

The council recognises that other tenancy types are also used in circumstances such as:

- The provision of temporary accommodation for homeless households
- The provision of temporary accommodation for asylum seekers with no recourse to public funds
- For employees occupying accommodation as part of their employment contract

6.1 Introductory Tenancies

Where a Registered Provider seeks to use Introductory Tenancies they should be entered into for a period of not more than 12 months, or a maximum of 18 months where reasons for extending the probationary period have been given and provided the tenant has had the opportunity to request a review.

Following a successful completion of an introductory period tenants should be offered a lifetime or fixed term tenancy as set out within the Registered Provider's Tenancy Policy.

6.2 Lifetime Tenancies

Where a lifetime tenant chooses to move to another social rented home, they should retain a lifetime tenancy and should not be offered a home with less security. (This requirement will not apply where the tenant chooses to move to accommodation let on affordable terms).

For the majority of tenants and where a household's need for a specific property type is unlikely to significantly alter in the future, the continued allocation of lifetime tenure is encouraged and this is the approach adopted by Stoke-on-Trent City Council.

Registered Providers should use lifetime tenancies for the majority of tenants at the end of their probationary/introductory tenancy and define this in their Tenancy Policies.

Registered Providers should be mindful of vulnerable tenants in their Tenancy Policies. In particular, lifetime tenancies should be offered to older people moving into sheltered or extra care housing in order to make this accommodation more attractive to occupants, some of whom may be leaving a lifetime tenancy or home ownership.

Registered Providers are also encouraged to offer introductory tenancies leading to assured tenancies to other vulnerable groups such as:

- Homeless applicants
- Care leavers
- People leaving Ministry of Defence accommodation
- People moving to the area to take up employment
- People caring for relatives
- Foster carers

6.3 Fixed Term Tenancies

Unless there are exceptional circumstances fixed term tenancies should be provided for a minimum period of 5 years (following any probationary period).

The types of exceptional circumstance in which Registered Providers will seek to operate tenancies of less than 5 years should be clearly stated within tenancy policies. Registered Providers should be clear about their intentions and must have a clear reason and rationale for a decision.

Registered Providers may seek through their tenancy policies to establish longer minimum tenancy terms and the conditions associated with these terms should be clearly defined within the policy.

Where fixed term tenancies are being used to support the delivery of an affordable rents programme, consideration should be given to the geographical distribution of these properties to ensure that areas with high levels of tenancy turnover are not further destabilised as a result. Furthermore, consideration should be given to distributing fixed term tenancies across property types to ensure that there is a mix of rent levels available for households to access.

In establishing the terms associated with fixed term tenancies Registered Providers should consider the needs of individual households and the impact on local communities. For example, where there is evidence of high tenancy turnover and anti-social behaviour in an area Registered Providers should be proactive in working in partnership with the council to improve neighbourhoods. Offering assured tenancies will contribute positively towards achieving this and delivering the Tenancy Strategy outcomes.

Specific consideration should be given to the needs of applicants and tenants who would fall into the reasonable preference groups as described in the council's Allocations Policy.

Registered Providers should also consider adopting different tenancy lengths to enable the needs of defined vulnerable groups and other potential tenants to be appropriately met. Such groups could include:

- People with a disability moving into an adapted or specially built home
- People with a poor tenancy history due to anti-social behaviour or significant rent arrears
- People moving into properties with four or more bedrooms (to alleviate problems of under occupation)

Registered Providers using fixed term tenancies should monitor their use and be able to evidence any costs and benefits.

Registered Providers should be able to demonstrate how their approach to fixed term tenancies meets the aim, objectives and outcomes of this Tenancy Strategy.

Examples of local Registered Provider Use of Fixed Term Tenancies:

Fixed term tenancies are used for 4 bedrooms + properties. We are reviewing this approach with a view to extending the life of the fixed term tenancy from the current 5 years to 10 years in the new tenancy policy. No tenancies have been ended due to changes in household formation. This increase in timeframe should reduce the administrative burden of managing fixed term tenancies within the business.

Fixed term tenancies are used for a 'Rent to Buy Scheme,' where tenants aim to buy their home after a 5-year period. Initially Assured Shorthold tenancies are granted for an 18-month period and, provided the tenancy is conducted satisfactorily and the tenant is on track to be able to purchase the property in 5 years' time, a further 3 ½ year fixed-term tenancy is awarded.

6.3.1 Fixed Term Tenancy Reviews

The majority of fixed term tenancies should be renewed at review stage by Registered Providers unless the household's circumstances have altered significantly. Tenancy reviews should be conducted no later than 6 months before the end of the fixed term tenancy period.

Where a fixed term tenancy is granted details of how a full review and reassessment of need will be undertaken must be provided to tenants at the point of letting. In making a decision Registered Providers will consider:

- **Household Profile:** including consideration of any changes to the household profile since the start of the tenancy and any associated implications (for example overcrowding/under-occupancy).
- **Vulnerability:** including assessments in relation to age, disability, health or care needs and support requirements
- **Income and employment status:** including an assessment of the affordability of alternative housing – for example, private rented accommodation and home ownership. Consideration should be given to the impact on households being able to maintain travel to work arrangements and the security of their employment; the household's ability to meet the immediate costs associated with a house move; and the impact on the level of economic activity in the locality and associated sustainability.

- **Availability of suitable alternative accommodation in the locality;** taking account of any disruption to education, employment or training for household members, affordability and condition of alternative housing. Also, taking account of the provision and associated impact of Welfare Reform, in particular in relation to single people for whom there is an evidenced lack of suitable housing.
- **Tenancy conduct:** including consideration of tenancy breach, for example rent arrears and anti-social behaviour.

Where a fixed term tenancy is not renewed each Registered Provider must ensure that appropriate housing advice is provided. Information and advice should be available 6 months before the end of the fixed term tenancy. The advice should be clearly defined and set out in Registered Provider Tenancy Policies. All reasonable steps should be taken to prevent homelessness and Registered Providers should refer tenants at risk of homelessness to the council's Housing Solutions Service for advice and support.

All Tenancy Policies should set out the tenants' right to request a review of all decisions made about their tenancy.

6.3.2 The Secure Tenancies (Victims of Domestic Abuse) Act 2018

This legislation received royal assent in May 2018. It requires local authorities and Registered Providers to grant a lifetime tenancy to an applicant who has left a lifetime tenancy because of domestic abuse. At the time of writing this strategy there is no date for implementation of this legislation. Registered Providers are to have regard to this legislation when producing/reviewing their Tenancy Policies. The council has amended allocation procedures to implement this for applicants on the Housing Register and Registered Providers are encouraged to amend their existing procedures in order to incorporate this requirement prior to the implementation of the Act.

This will contribute directly to delivery of the Tenancy Strategy objectives to:

- To ensure that people have access to appropriate accommodation that meets their housing needs
- To prevent and alleviate homelessness

7. Nomination Agreements

Local Registered Providers should also consider their Nomination Agreements with the council when developing their Tenancy Policies. The objectives in the Nominations Agreements the council has with Registered Providers are:

- To create sustainable communities through the appropriate use of housing stock that is currently available
- To ensure the effective management of homelessness and;
- Where Extra Care accommodation for older people is provided the Registered Provider must work in partnership with the council to meet the desired care profiles for the schemes³

The council owns and manages properties across the city and makes over 1,600 allocations each year. Nomination Agreements require that local Registered Providers:

Co-operate with local authorities' strategic housing functions, and their duties to meet identified local housing needs. This includes assistance with local authorities' homeless duties, and through meeting obligations in nominations agreements. (Regulatory Framework for Social Landlords 2015)⁴

Nomination Agreements are monitored quarterly by the council to ensure that requirements are met and that Registered Providers are utilising a proportion of their empty properties in order to help meet demand from applicants on the council's Housing Register.

Registered Provider Tenancy Policies should consider the requirements of the nomination agreements and use tenancy types that best meet the objectives in the agreements they have with the council.

8. Affordable Rent

The council is willing to support the case for affordable rent in relation to new housing provision⁵ and, further, for the conversion of existing provision to affordable rent where the additional income will be used to support future development of affordable housing in the city.

In principle, affordable rents should only be used by Registered Providers where they are able to evidence that the rent remains affordable to the local population. It is recommended that rents do not exceed the Local Housing Allowance.

³ Generally this is one third low/housing needs, one third medium care needs and one third high care needs.

⁴ Housing–Statutory Guidance, Tenancy Standard

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/419209/Tenancy_Standard_2015.pdf

⁵ New affordable housing is negotiated on a site by site basis as set out in Policy CSP6 (Affordable Housing) of the Council's Core Spatial Strategy (adopted October 2009). The provision will either be developed through planning obligations in Section 106 Agreements or financial contributions from Homes England.

Registered Providers are encouraged to discuss their approach to affordable rent with the council before implementation.

9. Consultation

This Strategy has been developed in consultation with:

- Local Registered Providers
- The Tenants' Board
- The Council's Homelessness Forum
- Members of the public via Stoke Online and direct EGov bulletin

10. Links to Other Policies

When developing their Tenancy Policies Registered Providers should also have regard to the following council policies and strategies:

- The Housing Strategy 2017–2022
- The Tenancy Policy 2016 (under review)
- The Allocations Policy 2018 (under review)
- The Homelessness Strategy 2016–2020 (under review)

11. Key Contacts

For comments in relation to this Strategy and its development please contact the Enabling and Projects Team:

- Telephone: 01782 234234 (office hours only)
- Email: housing.strategy@stoke.gov.uk
- Post: Enabling and Projects Team, Floor 2, Civic Centre, Glebe Street, Stoke-on-Trent ST4 1HH.