



<u>Committee and Date</u>
Cabinet
19 October 2022

<u>Item</u>
<u>Public</u>

DRAFT TENANCY STRATEGY AND POLICY FOR CONSULTATION

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1. Synopsis

- 1.1. The Tenancy Strategy and Tenancy Policy have both been reviewed. Cabinet is requested to approve the draft documents, to be subject to an eight-week consultation period.

2. Executive Summary

- 2.1. The Council is required by the Localism Act 2011 to produce a Tenancy Strategy which sets out its expectations to Private Registered Providers¹ in relation to tenancies and rents. The draft revised Strategy requests Private Registered Providers to provide Lifetime Tenancies as default (following Starter Tenancies) and to set rents below or in line with the relevant Local Housing Allowance (LHA). Thereby aiming to ensure sustainable communities and that affordable housing is genuinely affordable to local people in housing need.
- 2.2. Where a local authority wishes to use Flexible Tenancies for its own housing stock it must produce a Tenancy Policy; in 2015 the Council adopted a Tenancy Policy which introduced such tenancies. The draft revised Tenancy Policy seeks to phase out the use of Flexible Tenancies on the basis that there is no evidence that Flexible Tenancies solve housing need or result in substantial additional void dwellings for let.

¹ Housing associations registered with the Regulator of Social Housing

3. Recommendations

- 3.1. Cabinet is asked to approve that both the draft Tenancy Strategy and the draft Tenancy Policy, be subject to an eight-week public consultation period, and for this to include formal consultation with all Private Registered Providers currently operating in Shropshire.

REPORT

4. Risk Assessment and Opportunities Appraisal

- 4.1. The Localism Act 2011 requires the Council to prepare and produce a tenancy strategy which sets out the matters to which the Registered Providers operating in the local authority are to have regard in formulating tenancy policies.
- 4.2. The Council's existing Tenancy Strategy was published in 2013. The Strategy recognises that Private Registered Providers may wish to introduce Fixed Term Tenancies, and requests that these are for a minimum of five years. Since the Strategy was published, it is widely accepted that there are very limited benefits surrounding the use of Fixed Term Tenancies.
- 4.3. In April 2015, Shropshire Council adopted a Tenancy Policy which introduced five-year Flexible Tenancies for new tenants, with the exception of older and vulnerable tenants who continued to receive Lifetime Tenancies. The Council's Arm's Length Management Organisation (ALMO), STAR Housing has reviewed the Tenancy Policy. This review has established that there is no evidence that Flexible Tenancies solve housing need or result in substantial additional lettings, therefore, STAR Housing recommends that Flexible Tenancies are phased out in favour of Lifetime Tenancies.
- 4.4. In order to promote sustainable communities, the Council is supportive of STAR Housing's request to amend the Tenancy Policy to phase out Flexible Tenancies and instead offer Lifetime Tenancies to all new tenants following an Introductory Tenancy. There are no risks associated with this change.
- 4.5. Furthermore, the draft revised Tenancy Strategy now requests that Private Registered Providers use Lifetime Tenancies as their default offer (following any Starter Tenancy), and in any event they should be issued to vulnerable tenants. As the Council cannot enforce this request, there is no associated risk with asking Private Registered Providers to offer Lifetime Tenancies. However, by not requesting

this the Council is failing to promote sustainable communities and support vulnerable tenants.

- 4.6. It should also be noted that the white paper on Renters' Reform, A Fairer Private Rented Sector, published in June 2022 set out proposed changes to the private rented tenancy system. The changes impacting Private Registered Providers include an end to Assured Shorthold and Fixed Term Tenancies.
- 4.7. Since the existing Tenancy Strategy was published in 2013 the housing market has substantially changed. In particular, private rents have increased substantially, and the majority of new affordable housing for rent is set at Affordable Rents. Affordable Rent is up to 80% of the gross local open market rent or the Formula Social Rent if this is higher. In order to ensure that affordable housing is actually "affordable" to local people in housing need, the draft revised Tenancy Strategy requests Registered Providers endeavour to provide Social Rent homes where this is financially viable and wherever possible Affordable Rents should be both initially set and re-based below or in line with the relevant Local Housing Allowance (LHA).
- 4.8. The requirement to cap the Affordable Rent at initial letting currently forms part of the Council's Section 106 agreement for affordable housing provided through planning gain or on exception sites. Therefore, those Registered Providers who acquire dwellings on private sites or deliver exception sites will already be complying with this requirement for an element of their new delivery.
- 4.9. As the Council cannot enforce the request to charge Social Rents wherever viable and to set and re-base all new delivery not covered by a Section 106, there is no associated risk with asking Private Registered Providers to cap all of their new delivery at the relevant LHA level. As set out in the draft revised Tenancy Policy, STAR Housing currently caps all Affordable Rents at LHA, therefore, the draft revised Tenancy Strategy does not pose a risk to the Housing Revenue Account (HRA) as this procedure is already in place.
- 4.10. An Equality, Social Inclusion and Health Impact Assessment (ESHIA) initial screening record has been completed; this is at Appendix II. The screening process ahead of the proposed consultation indicates a likely positive impact across the Protected Characteristic groupings as set out in the Equality Act 2010, together with positive impacts for those individual and households who are considered at risk of social exclusion. There are considered to be potential positive impacts in terms of health and well being, as with the related revised Housing Allocations Policy and Scheme.

A further assessment will be carried out following consultation on the draft revised Strategy.

5. Financial Implications

- 5.1. The Tenancy Strategy and the Tenancy Policy have no new financial implications for the Council.

6. Climate Change Appraisal

- 6.1. It is acknowledged that the draft revised Tenancy Strategy and Policy are expected to have a 'no effect' outcome on the climate change impacts listed below:

- energy and fuel consumption (buildings and/or travel)
- renewable energy generation
- carbon offsetting or mitigation, and
- climate change adaptation.

- 6.2. There are no other anticipated environmental impacts associated with the recommendations in this report.

7. Background

- 7.1. Section 150 of the Localism Act 2011 requires a local housing authority in England to prepare and produce a tenancy strategy which sets out the matters to which the registered providers of social housing for its district are to have regard in formulating policies relating to:

- a) The kinds of tenancies they grant;
- b) The circumstances in which they will grant a tenancy of a particular kind;
- c) Where they grant tenancies for a certain term, the lengths of the terms; and
- d) The circumstances in which they will grant a further tenancy on the coming to an end of an existing tenancy.

- 7.2. The Council's current Tenancy Strategy was published in 2013. The Strategy states that where Fixed Term Tenancies are used by Registered Providers, these should be for a minimum term of five years in order to provide stability and security. The Strategy sets out how the Council expects that, unless there has been a

significant change in circumstances, following a review the tenancy will be renewed for a further period. Therefore, the occurrences when tenancies are not renewed are likely to be the exception and not the rule. The Strategy also states that the Council supports Registered Providers' continued use of starter and lifetime tenancies, as appropriate.

- 7.3. The Localism Act 2011 amended the Housing Act 1985 to enable local authorities to introduce Flexible Tenancies for their own housing stock. A Flexible Tenancy is a secure tenancy that is granted for a period of no less than two years. Stock owning local authorities who decided to introduce Flexible Tenancies were required to introduce a Tenancy Policy.
- 7.4. In April 2015, Shropshire Council adopted a Tenancy Policy whereby following new tenants being given Introductory Tenancies, with the exception of older and vulnerable tenants who would continue to receive a Lifetime Tenancy, they would then be given a five-year Flexible Tenancy. STAR Housing has advised the Council that there is no evidence that Flexible Tenancies solve housing need or result in substantial additional voids for let, therefore, recommends that Flexible Tenancies are phased out in favour of Lifetime Tenancies. This has resulted in a draft revised Tenancy Policy being prepared, this is contained at Appendix IV of the draft Tenancy Strategy set out in Appendix I of this report. In summary, the draft revised Tenancy Policy sets out:
- All new tenants will be given a twelve-month Introductory Tenancy.
 - Introductory tenancies automatically become Lifetime Secure Tenancies at the end of the introductory term if all tenancy conditions are being adhered to.
 - Transferring Registered Provider tenants on Lifetime Secure or Assured Tenancies will be given Lifetime Tenancies.
 - Tenants who have Flexible Tenancies issued under the April 2015 Tenancy Policy will automatically become Lifetime Tenants at the end of the five-year term (unless unresolved breaches of tenancy or possession proceedings have commenced).
 - The policy for setting rents.
- 7.5. The Localism Act 2011 requires the local housing authority, in preparing or modifying a tenancy strategy, to have regard to its current allocation scheme and homelessness strategy. In order to support the aims and aspirations of these documents, the draft revised Tenancy Strategy seeks to ensure sustainable communities

where social housing tenants have security of tenure and affordable housing is genuinely affordable to local people in housing need. Moreover, in ensuring affordable homes for local people in order for them to “live life well” the draft revised Tenancy Strategy helps to deliver the Healthy Economy priority of the Shropshire Plan.

- 7.6. The draft revised Tenancy Strategy requests that Private Registered Providers use Lifetime Tenancies as their default offer (following any Starter Tenancy), and in any event they should be issued to vulnerable tenants.
- 7.7. In order to ensure that affordable housing is genuinely affordable to local people in housing need, the Tenancy Strategy requests Registered Providers endeavour to provide homes for Social Rent and wherever possible the Affordable Rents of dwellings not subject to Section 106 agreements should be both initially set and re-based below or in line with the relevant LHA.
- 7.8. The Localism Act 2011 states that before adopting a tenancy strategy, or making a modification to it reflecting a major change of policy, the local housing authority must:
 - a) Send a copy of the draft strategy, or proposed modification, to every private registered provider of social housing for its district; and
 - b) Give the private registered provider a reasonable opportunity to comment on those proposals.
- 7.9. As the Tenancy Strategy and Tenancy Policy are both required because of the Localism Act 2011 they are therefore being considered as part of one report.
- 7.10. It is proposed that both the draft revised Tenancy Strategy and the draft revised Tenancy Policy be subject to an eight-week public consultation period, and for this to include formal consultation with all Private Registered Providers currently operating in Shropshire.

8. Conclusions

- 8.1. The draft revised Tenancy Strategy and the draft revised Tenancy Policy seek to ensure sustainable communities through promoting security of tenure and genuinely affordable housing.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Tenancy Strategy 2013

Tenancy Policy 2015

Cabinet Member

Portfolio Holder for Growth and Regeneration

Local Member

All

Appendices

Appendix I: Draft Revised Tenancy Strategy

Appendix II: ESHIA



Shropshire
Council

Draft Tenancy Strategy

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1. Introduction

- 1.1. The Tenancy Strategy sets out Shropshire Council's expectations to Private Registered Providers² when formulating their own housing policies in relation to tenancies and rents. The Strategy seeks to ensure sustainable communities and that affordable housing is genuinely affordable to local people in housing need.
- 1.2. A Registered Provider is defined under the Housing and Regeneration Act 2008. As a stock holding authority, whose housing stock is managed by Shropshire Towns and Rural (STAR) Housing, the Council is a Local Authority Registered Provider. In addition, there are 32 Private Registered Providers operating in the Shropshire Council area, these being housing associations who are registered with the Regulator of Social Housing.
- 1.3. The vision of the Housing Strategy 2020-25 is:

All homes are well designed decent homes of high quality, which will protect Shropshire's unique urban and rural environments and ensure it is a great place to live. That all Shropshire residents have access to the 'right home in the right place' to support and promote their health and wellbeing throughout their lives.

- 1.4. The Housing Strategy has a key objective: *To ensure people whose housing needs are not met through the local open market housing can access housing that meets their needs.*

2. Legal and policy context

- 2.1. Section 150 of the Localism Act 2011 requires a local housing authority in England to prepare and produce a tenancy strategy which sets out the matters to which the registered providers of social housing for its district are to have regard in formulating policies relating to:
 - c) The kinds of tenancies they grant;
 - d) The circumstances in which they will grant a tenancy of a particular kind;
 - e) Where they grant tenancies for a certain term, the lengths of the terms; and
 - f) The circumstances in which they will grant a further tenancy on the coming to an end of an existing tenancy.
- 2.2. The tenancy strategy must summarise those policies or explain where they may be found.

Allocations and nominations

- 2.3. The Housing Act 1996 and statutory guidance on the allocation of accommodation set out how the Council is to frame its Allocation Policy and

² The Council's own Tenancy Policy is contained at Appendix IV

Scheme for allocations to council owned dwellings and nominations to housing association dwellings.

- 2.4. The Council has recently revised its Allocation Policy and Scheme. The revised policy, which has local connection and financial qualifications and formal nominations to all forms of affordable housing, seeks to ensure that those in the greatest housing need are able to access general needs, supported and low-cost home ownership housing.
- 2.5. The Regulator of Social Housing's [Tenancy Standard](#) applies to Registered Providers of social housing. The Tenancy Standard states, "*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*".

Tenancy agreements

- 2.6. The main forms of tenancy agreements offered by Local Authority Registered Providers are:
 - Lifetime Secure Tenancies - these agreements allow a tenant to live in the dwelling for the rest of their life, providing they do not break the conditions of the tenancy;
 - Introductory Tenancies - these may be offered to new tenants, after twelve months tenants either become Secure or Flexible Tenants (unless eviction action is being undertaken or the introductory tenancy has been extended by a further six months); and
 - Flexible Secure Tenancies -introduced by the Localism Act 2011 these are for a fixed period, usually for at least five years, but for a statutory minimum of two years.
- 2.7. Private Registered Providers offer a range of tenancy and occupancy agreements, the main ones are:
 - Assured Tenancies - these agreements allow a tenant to live in the dwelling for the rest of their life, providing they do not break the conditions of the tenancy;
 - Starter Tenancies - these may be offered to new tenants, after twelve months tenants either become Assured or Fixed Term Tenants (unless eviction action is being undertaken or the introductory tenancy has been extended by a further six months); and
 - Fixed Term Tenancies - these are for a fixed period, usually for at least five years.
- 2.8. The Domestic Abuse Act 2021 requires Local Authority and Private Registered Providers of social housing to ensure that victims of domestic abuse who have a lifetime tenancy, and have fled the social home to escape

domestic abuse, retain their lifetime security of tenure if the landlord grants them a new tenancy for reasons connected with the abuse.

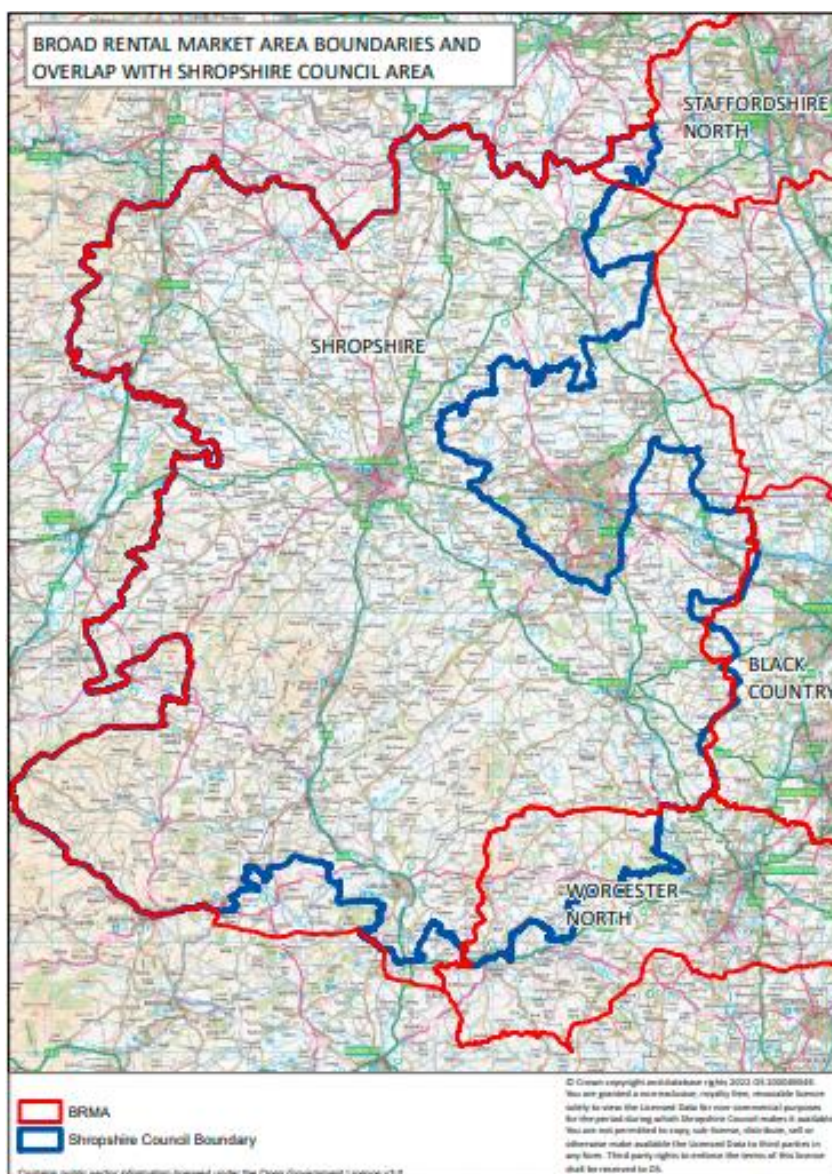
Rents

- 2.9. In 2002 in order to bring local authority and housing association rents into alignment the national rent regime established a Social Rent Formula which considered the national average social housing rent, regional average earnings, national average earnings, the number of bedrooms in a dwelling, and the dwelling's value in January 1999. Stock holding local authorities and housing associations were required to undertake rent restructuring using this rent regime in order for rents for the same size dwellings in local areas to have comparable rents, known as rent convergence. Rent convergence ended in April 2015, however, where the Formula Rent has not been reached on a dwelling which becomes void, subject to a locally agreed policy, the Formula Rent can be charged to the new tenant.
- 2.10. The Affordable Homes Programme 2011-15 introduced the concept of Affordable Rents. Affordable Rent is up to 80% of the gross local open market rent for a comparable dwelling, including service charges, or the Formula Rent, whichever is the higher. The introduction of Affordable Rents had the aim of allowing for increased borrowing on higher rental incomes, thus reduced levels of capital subsidy (grant funding). The Programme also encouraged Registered Providers to introduce a pipeline of conversions from Social to Affordable Rent when a dwelling became void and re-let to a new or transferring tenant. This allowed for additional rental income which could increase the borrowing capacity, and thus assist in reducing grant funding asks. Conversion programmes were subject to agreement with the Homes and Communities Agency (now Homes England).
- 2.11. A tenancy where a Registered Provider is the landlord is excluded from mainstream Local Housing Allowance rules. However, the Government's [Policy statement on rents for social housing 2019](#) states that Registered Providers 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.
- 2.12. Since 2020 the Regulator of Social Housing's [Rent Standard](#) applies to Private Registered Providers and Local Authority Registered Providers.
- 2.13. Social and Affordable Rent increases remain subject to central Government rent setting policy: the Government sets out limits on annual rent increases, this being CPI plus 1%, with rent caps applying a maximum ceiling on the Formula Rent. At the end of August 2022, the Government launched a consultation on the rent cap – proposing that the ceiling be 5% for 2023-24 and for this to apply to all Social and Affordable Rents.

3. The Shropshire housing market

- 3.1. At 70%, the majority of dwellings in Shropshire are owner-occupied. Social housing stock comprises approximately 13% of all dwelling stock and 17% of stock is private rented³.
- 3.2. In 2021, the ratio of median house price to median gross workplace-based earnings was 9.05 and ratio of lower quartile housing price to lower quartile workplace-based earnings was 8.4⁴. Therefore, owner-occupation is not affordable to many households living in Shropshire. This was evidenced by the 2020 Strategic Housing Market Assessment which identified a need for 799 affordable dwellings per annum.

Figure 1



³ Office for National Statistics – Subnational estimates of dwellings by tenure, England

⁴ Office for National Statistics – House price to workplace-based earnings ratio

Figure 2

BRMA	Local Housing Allowance rate ⁵				
	Shared accommodation	One bedroom	Two bedroom	Three bedroom	Four bedroom
Shropshire	£75.00	£92.05	£120.82	£143.84	£182.96
Black Country	£60.18	£91.82	£117.37	£136.93	£172.60
Staffordshire North	£60.95	£86.30	£97.81	£126.58	£171.45
Worcestershire North	£66.50	£101.26	£126.72	£149.59	£195.62

- 3.3. At April 2022, there were 6,096 applicants on the local authority's housing register, of whom 3,420 were in a reasonable preference group (therefore, considered under the Housing Act 1996 to be in priority need).
- 3.4. During 2021-22, 472 households were found to be statutory homeless (eligible for assistance, homeless but not intentionally so, in priority need and with a local connection), therefore owed the main homeless duty of suitable settled accommodation.
- 3.5. Therefore, given the high level of housing need found in Shropshire, social housing is a very scarce resource.
- 3.6. As shown by Figure 1, Shropshire is covered by four Broad Rental Market Areas (BRMAs): Shropshire; the Black Country; Staffordshire North; and Worcester North. The corresponding Local Housing Allowance (LHA) rates are shown in Figure 2.

4. Register Provider housing stock in Shropshire

- 4.1. As a stock owning council, Shropshire Council is a Local Authority Registered Provider. Our housing stock, of just over 4,000 dwellings, is managed by our arms-length management organisation (ALMO) Shropshire Towns and Rural (STAR) Housing.
- 4.2. In addition to STAR Housing, as shown in Appendix I, there are over 30 Private Registered Providers with stock in Shropshire which own and lease over 15,000 dwellings for rent and low-cost home ownership.
- 4.3. The Regulator of Social Housing considers 24 of the Private Registered Providers to be "large" as nationally they own over 1,000 dwellings. Seven Registered Providers are "small" organisations who only hold stock in Shropshire. In addition, four Registered Providers only provide low cost home ownership stock.

⁵ Valuation Office Agency August 2022

5. Types of tenancies offered

- 5.1. Local Authority Registered Providers have a duty to meet the Tenancy Standard, however, they must also comply with all applicable statutory and legal requirements in relation to the form and use of tenancy agreements and terms of occupation.
- 5.2. In April 2015, Shropshire Council adopted a Tenancy Policy whereby following new tenants⁶ being given Introductory Tenancies, with the exception of older and vulnerable tenants who would continue to receive a Lifetime Secure Tenancy, they would then be given a five-year Flexible Secure Tenancy.
- 5.3. STAR Housing is responsible for publishing, implementing and reviewing policies relating to tenancy management. A review of the Tenancy Policy has established that there is no evidence that Flexible Tenancies solve housing need or result in substantial additional lettings, therefore, as set out in Appendix IV, Flexible Secure Tenancies are to be phased out in favour of Lifetime Secure Tenancies.
- 5.4. Where temporary accommodation is provided to homeless households by the local authority under the Interim Duty the Council will use licenses and non-secure tenancies.
- 5.5. Private Registered Providers operating in Shropshire offer a range of tenancy types, these are set out in Appendix II.

6. Types of rent offered

- 6.1. The majority of Council owned housing is let on social rents, however, social housing delivered or acquired since 2012, where the Council has received social housing grant from Homes England⁷, has spent useable Right to Buy receipts or acquired dwellings on private sites provided as planning gain, will have Affordable Rents. There are also a small number of dwellings that on re-let were converted from Social to Affordable Rents as agreed with the Homes and Communities Agency under the 2011-16 Affordable Homes Programme. Irrespective as to whether a development is subject to a Section 106, the Council ensures that Affordable Rents are initially set and rebased at re-let at no higher than the relevant Local Housing Allowance.
- 6.2. Of the Private Registered Providers who provide rented accommodation in Shropshire, depending on the nature of the Provider and the products offered, different rents are charged (Appendix III).

⁶ Transferring Council and Private Registered Provider tenants on secure or assured tenancies would not receive introductory tenancies and be given Lifetime Secure Tenancies.

⁷ Or Homes England's predecessor, the Homes and Communities Agency

7. Shropshire Council's aims and aspirations

- 7.1. The Council requests that Private Registered Providers use Lifetime Tenancies as their default offer and provide them for the majority of tenants at the end of their Starter Tenancy. In any event, the Council expects Lifetime Tenancies to be issued to vulnerable tenants, including older persons, people with learning disabilities and people with mental ill health. In addition, where a tenant with a Lifetime Secure or Assured Tenancy chooses to move to another rented dwelling on a Social or Affordable Rent, they should retain a Lifetime Tenancy.
- 7.2. Council's Section 106 agreements relating to the provision of affordable housing on open market and exception sites require that the general needs rental accommodation is let at Affordable Rent or the relevant Local Housing Allowance (LHA), whichever is the lower. Therefore, the Affordable Rent cannot exceed the LHA.
- 7.3. Social Rent homes can be funded within [areas of high affordability pressure](#), as defined by the Government for Homes England's Affordable Homes Programme 2021-26, or elsewhere provided that the grant requested is not higher than it would be for Affordable Rent. For a local authority area to be considered by the Government as an area of high affordability pressure the difference between the average social rents and private rents is required to be £50 per week or more.
- 7.4. Although Shropshire Council is not currently considered by the Government to be an area of affordability pressure, therefore, additional grant to support the provision of Social Rent homes cannot be attracted, it is requested that Registered Providers endeavour to provide Social Rent homes wherever this is financially viable.
- 7.5. Where Registered Providers charge Affordable Rents for all other new build housing and acquisitions, in order for social housing to be truly affordable for local people, it is requested that wherever possible rents should be initially set below or in line with the relevant LHA. On re-let when Affordable Rents are re-based it is requested that Registered Providers consider the relevant LHA and look to re-based below or in-line with this figure.

Appendix I: Register Provider stock at April 2022

Registered Provider	Low cost rental stock	Low Cost Home Ownership stock	Total stock
Shropshire Council (STAR Housing)	4,005	42	4,047
Alpha (R.S.L.) Limited	11	-	11
Anchor Hanover	155	-	155
Bimbeck Housing Association Ltd	15	-	15
Bromford*	1,158	125	1,283
Citizen Housing Group Limited	12	19	31
Clarion Housing Association	27	-	27
Connexus Housing	4,571	279	4,850
Golden Lane Housing	2	-	2
Great Places	1	94	95
GreenSquareAccord	29	22	51
Habinteg Housing Association	31	-	31
Heylo Housing Registered Provider Limited	-	65	65
Home	2	-	2
Housing 21	114	-	114
Housing Plus	5,583	243	5,826
Metropolitan Housing Trust	-	1	1
Midland Heart Limited	-	7	7
Reside Housing Association Limited	14	-	14
Rooftop Housing Association Limited	161	-	161
Sanctuary*	562	34	596
Shrewsbury Drapers Company Charity	50	-	50
Shropshire Association for Supported Housing	6	-	6
Shropshire Rural Housing Association	297	-	297
Sir Job Charlton's Hospital Charity	6	-	6
Stonewater	266	58	324
The Abbeyfield Bishop's Castle and District Society Ltd	11	-	11
The Community Housing Group Limited	8	-	8
The Hosyer-Foxe Charity	22	-	22
The Wrekin Housing Group Ltd	1,686	108	1,794
Trident Housing Association Ltd	15	-	15
Trinity Hospital at Clun	12	-	12
Walsall Housing Group Limited	-	17	17
Totals	18,834	1,085	19,946

* To be confirmed by organisation

Appendix II: Types of tenancies offered by Private Registered Providers

Private Registered Provider	Starter Tenancy	Fixed Term Tenancy	Assured Tenancy	Assured Shorthold Tenancy	Licence to occupy
Alpha (R.S.L.) Limited*					
Anchor Hanover	✓		✓		✓
Birnbeck Housing Association Ltd			✓		
Bromford	✓	✓	✓	✓	✓
Citizen Housing Group Limited	✓		✓		
Clarion Housing Association	✓	✓	✓		
Connexus Housing	✓		✓	✓	✓
Golden Lane Housing				✓	
Great Places*					
GreenSquareAccord	✓	✓	✓	✓	
Habinteg Housing Association*					
Home*					
Housing 21	✓		✓		
Housing Plus	✓	✓	✓	✓	✓
Reside Housing Association Limited*					
Rooftop Housing Association Limited	✓		✓	✓	
Sanctuary*	✓		✓	✓	✓
ShrewsburyDrapers CompanyCharity					✓
Shropshire Association for Supported Housing					✓
Shropshire Rural Housing Association	✓		✓		
Sir Job Charlton's Hospital Charity					✓
Stonewater	✓		✓	✓	✓
The Abbeyfield Bishop's Castle and District Society Ltd			✓		
The CommunityHousing Group Limited	✓		✓	✓	✓
The Hosyer-Foxe Charity					✓
The Wrekin Housing Group Ltd	✓	✓	✓	✓	
Trident Housing Association Ltd	✓		✓		✓
Trinity Hospital at Clun*					✓

* To be confirmed / advised by organisation

Appendix III: Types of rents offered by Registered Providers

Private Registered Provider	Social Rent	Affordable Rent	Weekly Maintenance Contribution	Other sub-market rent
Alpha (R.S.L.) Limited*				
Anchor Hanover	✓	✓		
Bimbeck Housing Association Ltd	✓			
Bromford	✓	✓		
Citizen Housing Group Limited	✓	✓		
Clarion Housing Association	✓	✓		
Connexus Housing	✓	✓		
Golden Lane Housing				
Great Places*				
GreenSquareAccord	✓	✓		
Habinteg Housing Association*				
Home*				
Housing 21	✓	✓		
Housing Plus	✓	✓		
Reside Housing Association Limited*				
Rooftop Housing Association Limited	✓	✓		
Sanctuary*	✓	✓		
Shrewsbury Drapers Company Charity			✓	
Shropshire Association for Supported Housing				✓
Shropshire Rural Housing Association	✓	✓		
Sir Job Charlton's Hospital Charity			✓	
Stonewater	✓	✓		
The Abbeyfield Bishop's Castle and District Society Ltd			✓	
The Community Housing Group Limited	✓	✓		
The Hosyer-Foxe Charity			✓	
The Wrekin Housing Group Ltd	✓	✓		
Trident Housing Association Ltd	✓	✓		
Trinity Hospital at Clun*			✓	

* To be confirmed / advised by organisation

Appendix IV: Shropshire Council's Tenancy Policy

1. Introduction

- 1.1. This policy refers to the Council's dwelling stock managed by Shropshire Towns and Rural (STAR) Housing.

2. Tenancy types

- 2.1. As a Registered Provider, Shropshire Council and STAR Housing have to meet the [Tenancy Standard](#). We must also meet all applicable statutory and legal requirements in relation to the form and use of tenancy agreements or terms of occupation.
- 2.2. All new tenants will be given a twelve-month Introductory Tenancy. This is a weekly periodic introductory tenancy which lasts twelve months. Should the tenant/tenancy be identified as at risk prior to or during the introductory tenancy, STAR Housing will make a referral for housing support.
- 2.3. Introductory tenancies automatically become Lifetime Secure Tenancies at the end of the introductory term if all tenancy conditions are being adhered to.
- 2.4. Where a tenant does not satisfactorily conduct their introductory tenancy, STAR Housing will provide support and clear information during each stage of the breach. STAR Housing will make a decision whether to seek possession through the courts or extend the introductory tenancy for a further six months depending upon the merits of each case. Each tenant has a right for the decision to be reviewed if notice is given to end the tenancy.
- 2.5. The review will be heard by an independent panel of Shropshire Council Members to ensure that the decision has been fairly and rightly made in accordance with the Shropshire Introductory Tenancy policy.
- 2.6. Transferring Registered Provider tenants on Lifetime Secure or Assured Tenancies will be given Lifetime Tenancies.
- 2.7. Tenants who have Flexible Tenancies issued under the April 2015 Tenancy Policy will automatically become Lifetime Tenants at the end of the five-year term (unless unresolved breaches of tenancy or possession proceedings have commenced).

3. Succession

Tenancies prior to 1st April 2012

- 3.1. Secure tenants whose tenancy began prior to 1st April 2012 will usually have the right for their spouse, civil partner or another family member to succeed to their tenancy upon their death. A person is qualified to succeed a tenant if he/she occupies the property as his/her only or principal home at the time of the tenant's death and is either the tenant's spouse or civil partner or is another member of the tenant's family and has lived with the tenant for at least twelve months prior to their death. This does not need to have been in the same property. For the purposes of the law a cohabiting partner is regarded as a

family member. Family member also includes a parent, grandparent, child, brother or sister, aunt/uncle and nephew or niece.

- 3.2. Where there is more than one person who may have a right to succeed, then if the tenant was married, their spouse takes precedence. If the tenant was not married, then the family members must decide who succeeds. If they cannot decide, then STAR Housing can choose. There is only one right in law to succeed.

Tenancies from 1 April 2012

- 3.3. In accordance with the Localism Act 2011, from 1st April 2012 new secure tenants will continue to be limited to one succession to a spouse or partner only. Children and other members of the tenant's family will no longer have an automatic legal right to succeed.

4. Assignment

- 4.1. By law the Council can only assign properties on mutual exchange, as part of matrimonial or civil partnership proceedings, or to a person who would be qualified to succeed the tenant if the tenant died immediately before the assignment. A secure tenancy cannot be assigned in any other circumstance.
- 4.2. In situations where a tenancy is held by joint tenants, and where both joint tenants confirm in writing that one of them wishes to transfer their interest in the joint tenancy to the other party, then STAR Housing will agree to the transfer so long as there are no outstanding tenancy breaches, and there are no current tenancy enforcement proceedings in the County Court. A transfer of tenancy in these particular circumstances will take effect as the grant of a new tenancy agreement, it will not be an assignment.
- 4.3. Where a sole tenant requests that an additional name be added to their tenancy this can only be achieved through the surrender of the original tenancy and grant of a new tenancy in joint names. STAR Housing may agree to this so long as there are no outstanding tenancy breaches, and there are no current tenancy enforcement proceedings in the County Court. The request is unlikely to be granted if there has already been a succession on the tenancy. Both parties will need to confirm their wishes in writing and each case will be viewed on its own merits.
- 4.4. In the case of a mutual exchange, it is important that, in line with the Localism Act 2011, all Registered Providers ensure that a tenant who wishes to transfer and has a secure or assured tenancy which began before 1 April 2012 will retain similar security of tenure to that of their original tenancy. For example, a tenant with a lifetime secure or assured tenancy which began before 1 April 2012 retains a similar level of security even if they exchange with a tenant with a fixed term or flexible tenancy.

5. Rent setting policy

- 5.1. Council rents are set in line with the Regulator of Social Housing's [Rent Standard](#).

- 5.2. The majority of Council owned housing is let on social rents, however, social housing delivered or acquired since 2012, where the Council has received social housing grant from Homes England (or its predecessor the Homes and Communities Agency), has spent useable Right to Buy receipts or acquired dwellings on private sites provided as planning gain, will have Affordable Rents. In addition, under the Affordable Homes Programme (AHP) 2011-15 the Council agreed to convert 241 dwellings from social to Affordable Rent on re-let, the additional borrowing to be used to subsidise the Council's AHP 2011-15 development programme.
- 5.3. Irrespective as to whether a development is subject to a Section 106, the Council ensures that Affordable Rents are initially set at no higher than the relevant Local Housing Allowance (LHA) and will be capped at the LHA at the annual rent increase. On re-let the Affordable Rent, may be re-based at 80% of the local open market rent level but will be capped by the relevant LHA.
- 5.4. Social and Affordable Rent increases remain subject to central Government rent setting policy - the Government sets out limits on annual rent increases, this being CPI plus 1%, with rent caps applying a maximum ceiling on the Formula Rent. At the end of August 2022, the Government launched a consultation on the rent cap – proposing that the ceiling be 5% for 2023-24 and for this to apply to all Social and Affordable Rents.

6. Tenancy Fraud

- 6.1. Tenancy fraud is taken very seriously, and residents are actively encouraged to report suspected tenancy fraud. STAR Housing will use the tenancy audit process to proactively identify any fraudulent activity. When tenancy fraud is identified Shropshire Council and STAR Housing will take appropriate and necessary action.

7. Policy Review

- 7.1. This policy will be reviewed following relevant changes in legislation and in any case no longer than every five years.

Appendix II: Equality, Social Inclusion and Health Impact Assessment (ESHIA)

Initial Screening Record

A. Summary Sheet on Accountability and Actions

Name of proposed service change

Revised Tenancy Strategy and Tenancy Policy

Name of lead officer carrying out the screening

Melanie Holland

Decision, review, and monitoring

Decision	Yes	No
Initial (part one) ESHIA Only?	✓	
Proceed to Full ESHIA or HIA (part two) Report?		✓

If completion of an initial or Part One assessment is an appropriate and proportionate action at this stage, please use the boxes above. If a Full or Part Two report is required, please move on to full report stage once you have completed this initial screening assessment as a record of the considerations which you have given to this matter.

Actions to mitigate negative impact or enhance positive impact of the service change in terms of equality, social inclusion, and health considerations

The screening process ahead of the proposed consultation indicates a likely positive impact across the Protected Characteristic groupings as set out in the Equality Act 2010, together with positive impacts for those individual and households who are considered at risk of social exclusion. This includes intersectionality with regard to Age, for example young people who are care leavers and may also have a learning disability, and with regard to the circumstances in which people may find themselves, for example veterans and serving members of the armed forces and their families.

There are considered to be potential positive impacts in terms of health and well being, as with the related Draft Housing Allocations Policy and Scheme, not least due to the clarity that the proposals are anticipated to bring, which will in themselves be likely to promote mental wellbeing by reducing anxiety for households in housing need.

Actions to review and monitor the impact of the service change in terms of equality, social inclusion, and health considerations

The proposals may be adjusted to account for any feedback received as a result of the consultation, in order to maximise positive equality impacts across groupings in the community.

As well as internal review and monitoring, the Council will continue to share learning and good practice with other local authorities, including neighbouring authorities and other rural unitary authorities.

Associated ESHIAs

Following the end of the public consultation on the draft revised Tenancy Strategy and the accompanying draft revised Tenancy Policy a second screening ESHIA will be undertaken.

There is commonality of policy intent with ESHIAs recently undertaken for the Housing Allocations Policy and Scheme, and more widely with ESHIAs undertaken for the Local Plan Partial Review and for the Shropshire Plan.

Actions to mitigate negative impact, enhance positive impact, and review and monitor overall impacts in terms of any other considerations. This includes climate change considerations

Climate change

As the draft revised Tenancy Strategy and Tenancy Policy relate to the tenancies offered and rents charged on existing housing a climate change appraisal is not relevant.



Health and well being

Security of tenure of a home that is genuinely affordable is essential to health and well-being. The revised draft Tenancy Policy proposes that Flexible Tenancies of Council housing are phased out in favour of Lifetime Tenancies; moreover, the draft revised Tenancy Strategy requests all Private Registered Providers (housing associations) following Starter Tenancies, to offer Lifetime Tenancies as default and in any case to vulnerable tenants. The draft revised Tenancy Strategy also requests Registered Providers to develop new homes for Social Rent and to ensure that Affordable Rents are below or in-line with the relevant Local Housing Allowance.

Economic and societal/wider community

Security of tenure and genuinely affordable rents support sustainable communities and result in tenants being able to escape the “benefits trap”.

Scrutiny at Part One screening stage

People involved	Signatures	Date
<i>Lead officer carrying out the screening</i>		8 September 2022
<i>Any internal service area support*</i>		
<i>Any external support** Mrs Lois Dale, Rurality and Equalities Specialist</i>		3 rd October 2022

****This refers to other officers within the service area***

*****This refers to support external to the service but within the Council, e.g., the Rurality and Equalities Specialist, the Feedback and Insight Team, performance data specialists, Climate Change specialists, and Public Health colleagues***

Sign off at Part One screening stage

Name	Signatures	Date
<i>Lead officer's name</i>		
<i>Accountable officer's name</i>		

****This may either be the Head of Service or the lead officer***

B. Detailed Screening Assessment

Aims of the service change and description

Section 150 of the Localism Act 2011 requires a local housing authority in England to prepare and produce a tenancy strategy which sets out the matters to which the registered providers of social housing for its district are to have regard in formulating policies relating to:

- The kinds of tenancies they grant;
- The circumstances in which they will grant a tenancy of a particular kind;
- Where they grant tenancies for a certain term, the lengths of the terms; and
- The circumstances in which they will grant a further tenancy on the coming to an end of an existing tenancy.

The Council's current Tenancy Strategy was published in 2013. The Strategy states that where Fixed Term Tenancies are used by Registered Providers, these should be for a minimum term of five years in order to provide stability and security. The Strategy sets out how the Council expects that, unless there has been a significant change in circumstances, following a review the tenancy will be renewed for a further period. Therefore, the occurrences when tenancies are not renewed are likely to be the exception and not the rule. The Strategy also states that the Council supports Registered Providers' continued use of starter and lifetime tenancies, as appropriate.

The Localism Act 2011 amended the Housing Act 1985 to enable local authorities to introduce Flexible Tenancies for their own housing stock. A Flexible Tenancy is a secure tenancy that is granted for a period of no less than two years. Stock owning local authorities who decided to introduce Flexible Tenancies were required to introduce a Tenancy Policy.

In April 2015, Shropshire Council adopted a Tenancy Policy whereby following new tenants being given Introductory Tenancies, with the exception of older and vulnerable tenants who would continue to receive a Lifetime Tenancy, they would then be given a five-year Flexible Tenancy. STAR Housing has advised the Council that there is no evidence that Flexible Tenancies solve housing need or result in substantial additional voids for let, therefore, recommends that Flexible Tenancies are phased out in favour of Lifetime Tenancies. This has resulted in a draft revised Tenancy Policy being prepared, this is contained at Appendix IV of the draft Tenancy Strategy. In summary, the draft revised Tenancy Policy sets out:

- All new tenants will be given a twelve-month Introductory Tenancy.

- Introductory tenancies automatically become Lifetime Secure Tenancies at the end of the introductory term if all tenancy conditions are being adhered to.
- Transferring Registered Provider tenants on Lifetime Secure or Assured Tenancies will be given Lifetime Tenancies.
- Tenants who have Flexible Tenancies issued under the April 2015 Tenancy Policy will automatically become Lifetime Tenants at the end of the five-year term (unless unresolved breaches of tenancy or possession proceedings have commenced).

The Localism Act 2011 requires the local housing authority, in preparing or modifying a tenancy strategy, to have regard to its current allocation scheme and homelessness strategy. In order to support the aims and aspirations of these documents, the draft revised Tenancy Strategy seeks to ensure sustainable communities where social housing tenants have security of tenure and affordable housing is genuinely to local people in housing need.

The draft revised Tenancy Strategy requests that Private Registered Providers use Lifetime Tenancies as their default offer (following any Starter Tenancy), and in any event they should be issued to vulnerable tenants.

In order to ensure that affordable housing is genuinely affordable to local people in housing need, the Tenancy Strategy requests Registered Providers endeavour to provide homes for Social Rent and wherever possible the Affordable Rents of dwellings not subject to Section 106 agreements should be both initially set and re-based below or in line with the relevant LHA.

Intended audiences and target groups for the service change

The proposed changes to the Tenancy Strategy and the Tenancy Policy will affect all Registered Providers operating in Shropshire, and their current / prospective tenants.

Stakeholders for whom the changes may usefully be communicated include all Shropshire Council councillors, Members of Parliament for Shropshire, town and parish councils in Shropshire, Shropshire VCSA, neighbouring local authorities, and other rural unitary authorities.

Evidence used for screening of the service change

The use of Flexible Tenancies has not resulted in the benefits of assisting to meet housing need nor resulted in any additional voids for let. Moreover, security of tenure provides stability and helps to ensure sustainable communities. Affordable Rents are up to 80% of the gross local market rent or the Formula Rent if this is the higher. However, the very high open market rents found in parts of Shropshire result in the Affordable Rent not considered genuinely affordable to people in housing need.

Specific consultation and engagement with intended audiences and target groups for the service change

The proposed eight-week public consultation will include formal consultation with all 32 Private Registered Providers operating in Shropshire and media publicity to raise awareness with Council tenants and existing and potential social housing applicants.

Initial equality impact assessment by grouping (Initial health impact assessment is included below)

Please rate the impact that you perceive the service change is likely to have on a group, through stating this in the relevant column.

Please state if it is anticipated to be neutral (no impact) and add any extra notes that you think might be helpful for readers.

Protected Characteristic groupings and other groupings in Shropshire	High negative impact <i>Part Two ESIIA required</i>	High positive impact <i>Part One ESIIA required</i>	Medium positive or negative impact <i>Part One ESIIA required</i>	Low positive, negative, or neutral impact (please specify) <i>Part One ESIIA required</i>
<u>Age</u> (please include children, young people, young people leaving care, people of working age, older people. Some people may belong to more than one group e.g., a child or young person for whom there are safeguarding				Low positive (because better to say Low and then increase over time, than state that it will positive with insufficient evidence at the moment)

concerns e.g., an older person with disability)				
<u>Disability</u> (please include mental health conditions and syndromes; hidden disabilities including autism and Crohn's disease; physical and sensory disabilities or impairments; learning disabilities; Multiple Sclerosis; cancer; and HIV)				As above
<u>Gender re-assignment</u> (please include associated aspects: safety, caring responsibility, potential for bullying and harassment)				As above
<u>Marriage and Civil Partnership</u> (please include associated aspects: caring responsibility, potential for bullying and harassment)				As above
<u>Pregnancy and Maternity</u> (please include associated aspects: safety, caring responsibility, potential for bullying and harassment)				As above

<u>Race</u> (please include ethnicity, nationality, culture, language, Gypsy, Traveller)				As above
<u>Religion and belief</u> (please include Buddhism, Christianity, Hinduism, Islam, Jainism, Judaism, Nonconformists; Rastafarianism; Shinto, Sikhism, Taoism, Zoroastrianism, and any others)				As above
<u>Sex</u> (this can also be viewed as relating to gender. Please include associated aspects: safety, caring responsibility, potential for bullying and harassment)				As above
<u>Sexual Orientation</u> (please include associated aspects: safety; caring responsibility; potential for bullying and harassment)				✌️ 🏳️‍🌈
<u>Other: Social Inclusion</u> (please include families and friends with caring responsibilities;				As above

households in poverty; people for whom there are safeguarding concerns; people you consider to be vulnerable; people with health inequalities; refugees and asylum seekers; rural communities; veterans and serving members of the armed forces and their families)				
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Initial health and wellbeing impact assessment by category
Please rate the impact that you perceive the service change is likely to have with regard to health and wellbeing, through stating this in the relevant column.
Please state if it is anticipated to be neutral (no impact) and add any extra notes that you think might be helpful for readers.

Health and wellbeing: individuals and communities in Shropshire	High negative impact <i>Part Two HIA required</i>	High positive impact	Medium positive or negative impact	Low positive negative or neutral impact (please specify)
<p>Will the proposal have a <i>direct impact</i> on an individual's health, mental health and wellbeing?</p> <p>For example, would it cause ill health, affecting social inclusion, independence and participation?</p> <p>.</p>				Low positive

<p>Will the proposal <i>indirectly impact</i> an individual's ability to improve their own health and wellbeing?</p> <p>For example, will it affect their ability to be physically active, choose healthy food, reduce drinking and smoking?</p> <p>.</p>				Low positive
<p>Will the policy have a <i>direct impact</i> on the community - social, economic and environmental living conditions that would impact health?</p> <p>For example, would it affect housing, transport, child development, education, employment opportunities, availability of green space or climate change mitigation?</p> <p>.</p>				Low positive
<p>Will there be a likely change in <i>demand</i> for or access to health and social care services?</p> <p>For example: Primary Care, Hospital Care, Community Services, Mental Health, Local Authority services</p>				Neutral

including Social Services?				
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Identification of likely impact of the service change in terms of other considerations including climate change and economic or societal impacts

As the Strategy and Policy relate to the tenancies and rents for existing homes a climate change appraisal is not relevant.

With respect to the Human Rights Act, this does not give a person a right to a home or other accommodation, instead it contains a right to respect for a home that a person already has.

With respect to the Public Sector Equality Duty, genuinely affordable housing with security of tenure seeks to promote social inclusion across all groupings as set out in the Equality Act 2010.