

TENANCY POLICY		
STATUS	VERSION 1	
APPROVED BY:	ST&RH	Date May 2014
	ST&RH Board	Date June 2014
DATE DUE FOR REVIEW	April 2016	
OUTCOME OF REVIEW		
SERVICE RELATIONSHIPS:	All of ST&RH, Shropshire HomePoint, Housing Options, HCA	
LINKED POLICIES	Introductory Tenancy Policy, Tenancy Audit Policy, New Tenancy Visits Policy, Target Rent Policy, Succession Policy, Local Lettings Policy, Eviction Policy, Abandoned Properties Policy	
POLICY OWNER:	Neighbourhoods Manager	
KEY PERFORMANCE AREAS:	Void turnaround time, void loss,	

TO BE REPLACED WITH SHROPSHIRE COUNCIL AND ST&RH LOGOS IN FINAL VERSION AND TITLED SHROPSHIRE COUNCIL TENANCY POLICY

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2. DEFINITIONS

Introductory tenancy:

A tenancy that lasts for 12 months, seen as a trial tenancy. As long as rent is paid and tenancy conditions are observed, the tenancy becomes a fixed-term tenancy or secure tenancy after the first 12 months. The tenancy can be extended for 6 months if there are grounds for concern with the conduct of the tenancy.

Flexible tenancy:

This is a form of secure tenancy that is limited for up to five years (following the 12 month introductory tenancy). At the end of the tenancy it can be renewed or ended.

Secure tenancy:

Sometimes referred to as a 'lifetime' tenancy. By law, secure tenants have the right to stay in a property provided they keep to the tenancy conditions.

Affordable Rent:

This is calculated at up to 80% of local market rent on new homes built as part of the Affordable Homes programme, and on some homes converted to Affordable Rent when they are empty.

3. PURPOSE OF POLICY

3.1. Introduction

This policy meets the requirements of the Localism Act (2011) and the requirements of the regulator for Registered Providers to have a tenancy policy. This policy has been developed with due regard to the Council's tenancy strategy.

This policy outlines Shropshire Council's approach to tenancy management where stock is managed by the Council's Arms Length Management Organisation, Shropshire Towns & Rural Housing (ST&RH). Specifically, it sets out the circumstances when different tenancy types will be offered and how flexible tenancies will be reviewed. It also identifies the circumstances under which they will not be renewed.

The policy takes into account the needs of those who are vulnerable, as defined in the Shropshire Council Vulnerability Policy.

The Localism Act 2011 introduces new flexible tenancies that came into effect in April 2012. This allows local authorities and housing providers to implement tenancy agreements with fixed periods of time; for example 5 years, 10 years, or 2 years in exceptional cases.

3.2. Aim & Principles

The aim of this policy is to ensure tenants have the right home for as long as they need it.

The policy is being introduced with the following principles:

- Making best use of the available social housing stock
- Reducing overcrowding
- Tackling under-occupation
- Making the best use of adapted housing
- Supporting the development of sustainable communities
- Increasing tenant mobility

ST&RH will ensure that all tenants are provided with appropriate and relevant advice and support about their tenancy.

ST&RH's frontline housing staff are focused on working in neighbourhoods. A set of comprehensive policies and procedures relating to all aspects of housing management have been developed and are regularly reviewed. ST&RH's staff will be trained to have the necessary expertise to be able to respond to the needs of tenants.

ST&RH aim to offer a degree of stability to enable residents to invest in their home and their community. The use of flexible tenancies will enable social housing homes to be occupied by those who need it the most while encouraging mobility.

Each offer of a home managed by ST&RH will clearly set out at the time of advertising the type of tenancy and the rent being offered and the conditions of the offer. Offer letters will include details of the circumstances that a secure or flexible tenancy will be offered and during the viewing and sign-up process the implications of the type of tenure being offered will be made clear.

If a flexible tenancy is offered a full explanation on how and when the tenancy will be reviewed pending the end of the fixed-term will be given.

4. ROLE OF MANAGERS

Managers within ST&RH are critical to the success of improving our estates and homes. As part of their commitment to a performance culture and improving the quality of life for tenants managers should:

- know how their team and others are performing against in-house targets and standards, best practice and procedures
- ensure integrated working between tenancy management, income recovery and housing options
- intervene and support staff with training, supervision and motivation to reach high standards of performance
- pay meticulous attention to processes and record keeping
- ensure high standards of customer care and consistency
- ensure this policy and relevant Service Standards are rigorously applied
- use new technology to advance record keeping and efficient working practices.

5. POLICY STATEMENTS

All existing tenants who have a secure or introductory tenancy will not be affected. In the event that they transfer to another social rented property, existing tenants will retain their existing tenancy conditions.

Tenants will be offered advice and support throughout their tenancy to help achieve the best housing solution for their needs and circumstances.

5.1. Tenancy types

The following tenancy types will be offered to deliver the principles of this policy:

Tenancy Type	Tenancy applies to	Who could this be offered to
Secure Tenancy	<ul style="list-style-type: none"> • Social Rent • Affordable Rent 	<ul style="list-style-type: none"> • Existing tenants • Transferring existing tenants from other social landlords
Introductory Tenancy (review at 12 months – leading to a Flexible Tenancy)	<ul style="list-style-type: none"> • Social Rent • Affordable Rent 	<ul style="list-style-type: none"> • All new tenants
5 Year Flexible Tenancy	<ul style="list-style-type: none"> • Social Rent • Affordable Rent • Adapted general needs properties 	<ul style="list-style-type: none"> • All new tenants who have successfully conducted an Introductory Tenancy
Lease	<ul style="list-style-type: none"> • Purchased properties without the freehold • Shared Ownership 	<ul style="list-style-type: none"> • People who own their home but Shropshire Council owns the Freehold • People who own a share of their home
Other	As specified by planning requirements or Section 106 agreements	<ul style="list-style-type: none"> • People specifically allocated to that property

5.2. Tenancy length and criteria

Introductory tenancy: All first social rent and affordable rent tenancies will be let on a weekly periodic introductory tenancy which lasts 12 months. Should the tenant/tenancy be identified as at risk prior to or during the introductory tenancy, ST&RH will make a referral for housing support.

Introductory tenancies automatically become flexible tenancies at the end of the introductory term if all tenancy conditions are being adhered to.

Where a tenant does not satisfactorily conduct their introductory tenancy, ST&RH will provide support and clear information during each stage of the breach. Based on the information provided by ST&RH, the Council will make a decision whether to seek possession through the courts or extend the introductory tenancy for a further 6 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.

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.

Flexible tenancy: Where the tenant has satisfactorily conducted their introductory tenancy, a five year flexible tenancy will be granted at the end of the introductory tenancy period.

Secure tenancy: Where the period of the introductory tenancy has come to an end (without being terminated early by Shropshire Council) , the following tenants will be granted a secure tenancy:

- tenants aged 55 or over, who are living in appropriate accommodation (ie not under occupying)
- those who are living in specialist supported accommodation ie sheltered, supported or extra care homes
- those with an unrecoverable illness, disability, severe learning disability or severe and enduring mental health problems, which means that their circumstances are unlikely to change during the length of the tenancy.

5.3. Tenancy Reviews

Prior to the end of the tenancy a review will be carried out, and a decision made as to whether the tenancy should be renewed. The tenancy may not be renewed if:

Introductory Tenancy:

- the tenant is in breach of any term of their tenancy agreement, Shropshire Council will serve a notice requiring possession giving at least 2 months' notice of issuing possession proceedings. This will be managed in accordance with the Shropshire Council policy on introductory tenancies.

Flexible Tenancy:

- the property is no longer appropriate for the tenant due to size or other attributes and an alternative property is being offered
- the tenant will not accept the terms of the new tenancy being offered.
- the specific requirements of the tenancy agreement have not been met or are no longer being met
- the law or planning conditions require the tenancy to be terminated and there are no breaches of the tenancy agreement
- there are serious or persistent breaches of the tenancy agreement and there are valid grounds for possession
- the tenant's household income is now above £63,000* per annum and ST&RH consider the tenant's circumstances make this sufficient to enable the tenant to find alternative accommodation

*As per the Shropshire Affordable Housing Allocation Policy and Scheme (Those with Financial Resources Sufficient to Secure Alternative

Accommodation) which states 'reduced preference may be given to households whose income and / or capital resources exceed £63,000'

It may be necessary to end the tenancy within the fixed-term if it is not being conducted in an appropriate manner. This will be done by serving a notice of seeking possession under the relevant ground for possession (as set out in Schedule 2 of the Housing Act 1988) and in line with ST&RH's Anti-social Behaviour and Income Collection Policies.

5.4. Where the tenancy will not be renewed

If a tenancy is not going to be renewed the tenant will receive a suitable explanation of the reasons for refusal. Advice and support will be provided to the tenant in finding a more appropriate home and we will give appropriate alternative housing advice.

In practice, it is expected that most customer's circumstances will be relatively unchanged after their first tenancy term and it is expected the majority of customers will be offered a new 5 year flexible tenancy.

Only customers whose circumstances have changed significantly or have a poor tenancy record are unlikely to be offered a new tenancy. Where it is decided not to offer a further tenancy, Shropshire Council will issue a notice to leave the property. This will be served no less than 6 months before the end of the tenancy but no more than 12 months before the end of the tenancy.

Advice and assistance will be provided to customers to look at alternative housing provision and secure more appropriate accommodation where necessary. The main purpose of this service will be to ensure that customers are aware of the different housing options available to them given their particular circumstances and provide appropriate support to access the different options. The advice provided will be tailored to the needs and circumstances of the customer.

5.5. Review

Tenants may request a review of the decision relating to:

- the length of the fixed-term tenancy
- any decision not to grant another tenancy (following a tenancy review)

All appeals will be heard by an independent panel of Shropshire Council Members who were not involved in the original decision making process and in line with our policy on introductory tenancies.

5.6. Advice and support

Tenants will be offered advice and support throughout their tenancy to help achieve the best housing solution for their needs and/or circumstances.

Where a tenant has been identified as vulnerable ST&RH will ensure they have access to additional support to help understand their tenancy and the review process. This support may be provided by ST&RH's own tenancy support or other appropriate support agencies. ST&RH will ensure all letters are in plain English and will liaise with any nominated contacts. If appropriate ST&RH will offer an extended period of time for the review to take place.

5.7. Where the tenant wishes to end the tenancy

If the tenant chooses to end the tenancy before the end of the fixed-term they may do so by surrendering the tenancy by giving at least four weeks' notice. If the tenant has abandoned the property during the fixed-term a Forfeiture Notice will be served on the property. This will give the tenant 4 weeks' notice that Shropshire Council will be taking back possession of the property.

Surrender will be allowed subject to the following circumstances:-

- the rent account is clear
- the tenant is not otherwise materially in breach of a term of the tenancy
- keys are returned on expiry of the notice period and access is given to undertake a property inspection during the notice period to enable a property to be relet quickly.

5.8. Rent setting

The rents for each tenancy type will be set in accordance with the Target Rent Policy and Affordable Rent framework. In all cases, rental charges will be reviewed annually, in line with the specific terms on the individual tenancy agreement.

5.9. Tenancy Fraud

Tenancy fraud is taken very seriously and residents are actively encouraged to report suspected tenancy fraud. ST&RH will use the tenancy audit process to proactively identify any fraudulent activity.

When tenancy fraud is identified Shropshire Council and ST&RH will take appropriate and necessary action.

6. KEY ISSUES FOR POLICY IMPLEMENTATION

6.1. Advertising and allocations

Each property advert will set out that the tenancy being offered is subject to this Policy. The type of tenancy and the rent being offered and the conditions of the offer will be discussed in full with the tenant at point of offer.

Offer letters will need to include details of the circumstances that a secure, introductory or fixed-term tenancy will be offered and during the viewing and sign-up process the implications of the type of tenure being offered will need to be made clear.

If a fixed-term tenancy is offered a full explanation on how and when the tenancy will be reviewed will be provided.

6.2. Tenancy management

When a property has been let on a fixed-term tenancy, at least 8 months before the end of the fixed-term the household circumstances and conduct of the tenancy will need to be considered in relation to their continued suitability for that property.

Shropshire Council anticipate that the majority of tenancies will continue, either in the existing property or in another property managed by ST&RH that is better suited to the needs of the tenant.

We will support the tenant to look for alternative accommodation managed by ST&RH depending on the reasons why the fixed-term tenancy ends.

If the decision is made not to offer another tenancy, Shropshire Council will give 6 months' notice in writing of the intention not to renew the tenancy with reasons and informing the tenant of their right to request a review of this decision.

A plan will be agreed with the tenant to explore the available housing options and to establish the best housing solutions for them.

6.3. Monitoring and Reporting

ST&RH will monitor the following areas:

- Number and % of tenancies issued by tenancy type
- Number and % of tenancies issued at affordable rent levels
- Number and % of tenancies reviewed at the end of the fixed term by outcome
- Tenant satisfaction levels by tenancy type and rent
- Demand for properties by tenancy type and rent

6.4. Review

This policy will be reviewed in line with changes in legislation and the issue of Shropshire Council's strategic tenancy policies.

7. APPENDICES

7.1. Policy on Introductory Tenancies

DIRECTORATE	COMMUNITY SERVICES
SERVICE	LANDLORD SERVICES
SERVICE LEVEL	TENANCY MANAGEMENT
TITLE:	POLICY ON INTRODUCTORY TENANCIES

STATUS	VERSION	
REF: H/LS/EM/12	EFFECTIVE FROM: OCT 09	REVIEW DATE: SEPT 10
APPROVED BY:	SURE	
	LANDLORD SERVICES MT	
OUTCOME OF REVIEW	N/A	
DEPT/SECTIONS AFFECTED:	HOUSING OPTIONS, ASSET MANAGEMENT, LEGAL SERVICES; INCOME RECOVERY, TENANCY & ESTATE MANAGEMENT	
LINKED POLICIES	ESTATE MANAGEMENT POLICY, LETTINGS POLICY, ANTI-SOCIAL BEHAVIOUR POLICY , ASSIGNMENT POLICY, CURRENT TENANT DEBT POLICY, UNAUTHORISED ALTERATIONS POLICY, SUB LETTING POLICY	
LEAD OFFICER:	HEAD OF LANDLORD SERVICES	
KEY PERFORMANCE AREAS:	LS04,LS07, LS16a, LS16d	

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2.0 DEFINITIONS

Introductory Tenancy:

A new tenancy established under s124 Housing Act 1996 which will automatically become a secure tenancy after 12 months but in that period the Council can terminate the tenancy through the courts with no need to prove grounds for possession or whether it is reasonable to do so. Alternatively they may extend the tenancy in that form for 6 months if there remain grounds for concern.

Existing secure tenants of the Council or other local authorities, or assured tenants of registered social landlords, transferring into Shropshire Council homes will have secure tenancies.

3.0 PURPOSE OF THE POLICY

- 3.1 As part of the drive within the Council's Corporate Plan 2009-2012 and Housing Strategy 2011 for cohesive communities, the Respect agenda, support for vulnerable households and quality homes this policy expresses how the Council will use the opportunities of introductory tenancies in encouraging tenants to adhere to their conditions of tenancy and thereby reducing anti-social behaviour/debt on their estates.
- 3.2 This policy provides information to applicants for Council housing, existing tenants and staff on the way the Council will manage new tenancies of its stock during the first 12 months when for some people this will be a period of substantial change in level of responsibility for their home, location and in certain cases will not match their lifestyle needs. It provides the opportunity for the Council to let homes and confirm that tenants will fulfill their obligations under the conditions of tenancy before they become secure with the necessary long process thereafter required to remove them. An introductory tenancy provides a stimulus for tenants to be particularly mindful of their responsibilities with the knowledge that failure to do so could result in a rapid loss of their home.

4.0 ROLE OF THE MANAGER

Managers within the Service are critical to the success of improving our estates and homes. As part of their commitment to a performance culture and improving the quality of life for tenants managers should:

- a. know how their team and others are performing against in-house targets and standards, best practice and procedures;
- b. ensure integrated working between tenancy management' income recovery and housing options;
- c. intervene and support staff with training, supervision and motivation to reach high standards of performance;
- d. carry out structured case reviews after 9 months of every new introductory tenancy;
- e. meticulous attention to process and record keeping ;
- f. high standards of customer care and consistency;
- g. ensure this policy and relevant Service Standards are rigorously applied;
- h. use new technology to advance record keeping and efficient working practices.

5.0 POLICY STATEMENTS

- 5.1 The Council wishes all new tenancies to be successful and at sign-up, during the post-letting visit and throughout tenancies it will regularly and effectively communicate expectations to new tenants regarding compliance with conditions of tenancy and the possible outcomes, including eviction, if they do not.
- 5.2 Work on introductory tenancies is part of Landlord Services matrix of work aimed at reducing anti-social behaviour on estates and will be considered as part of a holistic approach to matters in the home, immediate area and locality.
- 5.3 Where a tenant satisfactory completes 12 months as an introductory tenant they will automatically become a secure tenant. However should this not be the case the Council will provide support and clear information during each stage of the breach in the normal way. A decision will be made by the authority whether to seek possession through the courts or extend the introductory tenancy for a further 6 months depending upon the merits of each case.
- 5.4 Landlord Services is committed to delivering a high standard of customer service at all times. We recognise that different communities and neighbourhoods have different needs and our aim is to treat everyone fairly. We will treat any special needs with sensitivity, tact and diplomacy.

- 5.5 We will ask tenants about their needs so that we can provide our services in the way that best matches their needs.
- 5.6 We will monitor the services and referrals for support that we provide to make sure that they are fair and publish the results
- 5.7 We will undertake Equality Impact Assessments for our customer facing housing policies to make sure we do not treat our tenants unfairly. These checks will be undertaken with our customers.

6 KEY ISSUES FOR IMPLEMENTATION

- 6.1 To terminate the tenancy Council must serve notice within correct timescales, complete any requested review, inform the tenant of the outcome and gain possession through the courts within a 12 month period. The court only has to satisfy itself that the proper process has been followed by the Council to grant possession and this is the only challenge a tenant can make against loss of tenancy. That being the case the Council will be particularly attentive in managing the process and keeping records.
- 6.2 To extend the introductory period the Council will serve a notice on the tenant before the end of the 10th month and continue to provide support while still tracking behaviour. Should it be determined that the tenants adherence to the conditions of tenancy has improved to a satisfactory position the tenancy can be allowed to mature automatically into a secure tenancy, if not action needs to be taken in accordance with para. 6.1 above.
- 6.3 To consider how to deal with introductory tenants the Council will use information supplied by the tenant at their application, sign-up, post-letting visit and evidence gained during any investigations. If financial exclusion is considered a factor in debt or anti-social behaviour then targeted support will be provided and proactive sign-posting to other departments or agencies who may be able to help. Evidence from Police, residents and others will be collected in cases of anti-social behaviour so that a decision on the way forward can be made on the merits of the particular case.
- 6.4 Where the Council considers the tenant to be vulnerable or elderly, where English is not their first language or for any other reason there is a need for a particular intervention to provide reasonable support in sustaining a tenancy this will be provided through close working, referral and sign-posting as appropriate.

- 6.5 Should the Council pursue termination of the tenancy it will involve other Council departments and agencies before possession to assist the tenant over matters of homelessness and care.

7 REFERENCES

Housing Act 1985

Housing act 1996

Protection from Eviction Act 1977

Landlord Services Performace Framework

8 KEY ACHIEVEMENTS

- 8.1 Landlord Services conducts New Tenant Visits in a timely manner and if during the sign up process tenants are identified as being at risk of failing their tenancy, then visits are undertaken at 3 weeks.**
- 8.2 During the sign up process when support needs are identified, Landlord Services staff will respond quickly in ensuring the appropriate support is given via partner agencies to help tp maintain the tenancy.**
- 8.3 Pre tenancy debt advice is also offered at the point of sign up, taking into account income and expenditure of the tenant and ensuring relevant payment methods are offered.**
- 8.4 This policy has been generated following full consultation with customers, tenant representatives and other interested parties.**

7.2. Shropshire Council Tenancy Strategy

Shropshire Tenancy Strategy

1. Introduction

The Localism Act includes a number of proposals which are relevant to housing including Local Authorities and other social landlords being able to grant fixed-term tenancies with limited security of tenure. The Act also

contains changes to the allocation of social housing, the law relating to homelessness and the abolition of housing revenue account subsidy.

The Localism Act also requires Local Authorities to produce a Tenancy Strategy. The Tenancy Strategy is intended to provide guidance for Registered Providers (RPs) working within Shropshire when framing their own tenancy policies.

Building on our established and strong working relationships, this strategy has been developed collaboratively between the Council in our strategic role and our residents, Registered Providers, the Homes and Communities Agency and other key stakeholders. In developing this strategy together we have had regard to our allocation scheme and homeless strategy.

2. Aims of the Strategy

The Tenancy Strategy is intended to provide guidance to RP's operating in Shropshire, informing their policies and practices to produce lettings for customers that meet local housing need; enable mixed and sustainable communities; maximise the delivery and effective use of affordable housing and improve the functioning of the housing market in Shropshire.

3. Background and scope of the Strategy

3.1 Government Policy

The Government's stated key housing policy goal is to ensure that everyone has the opportunity of living in a decent home, which they can afford, in a community where they want to live. To achieve this, the Government is seeking to:

- achieve a wide choice of high quality homes, both affordable and market housing, to address the requirements of the community,
- widen opportunities for home ownership and ensure high quality housing for those who cannot afford market housing, in particular those who are vulnerable or in need,
- improve affordability across the housing market, including by increasing the supply of housing and;
- create sustainable, inclusive, mixed communities in all areas, both urban and rural.

3.2 Localism Act

The Localism Act includes new powers relating to allocations and flexible tenancies and it requires Local Authorities to produce a Tenancy Strategy that sits alongside the Housing Strategy, Homelessness Strategy and Allocations Policy and provides guidance to RPs working in the Local Authority in relation to.

- What kind of tenancies to offer
- Circumstances in which the landlord will grant a tenancy of a particular kind

- Where a tenancy is set for a term, the length of term
- Circumstances where the landlord will grant a further tenancy on the ending of the existing tenancy

3.3 Delivery of New Homes

Alongside the requirements of the Localism Act, the Homes and Community Agency (HCA) has agreed programmes for the delivery of new affordable housing over the 4 years with RP's. The HCA stated that all new homes built with HCA subsidy are should be offered at affordable rents: up to 80% of the market rent. In addition, RP's are able to increase rents on a percentage of re-let properties. It is expected that this increase in rents would support their programmes of building by increasing financial capacity to provide new affordable homes. RP's are also encouraged to take a more proactive approach to managing their stock, including disposal of stock where this will bring funds to invest in new homes.

3.4 Tenure Options

RPs who have entered into a contract with the HCA to deliver new homes will be able to offer fixed term tenancies, normally with a minimum of 2 years as well as life time tenancies at affordable rents on new properties and conversion of some of their existing stock. The Government stated that only in exceptional cases will the term be less than five years. The exceptional circumstances in which tenancies will be offered for a period of less than 5 years should be clearly set out within RPs own tenancy policies.

RPs who are not developing or developing without HCA resources can continue to offer assured lifetime tenancies.

RPs will continue to be able to offer introductory tenancies.

Nomination arrangements to fixed term and longer term tenancies would be unaffected and lettings would continue through existing arrangements; mainly choice based lettings.

Existing tenants who remain in their existing homes will not be affected by affordable rents unless they transfer to another property where their security remains the same but their rent may change.

3.5 Mobility in social housing (moving house)

The Localism Act promotes mobility in social housing, which essentially means making it easier for tenants to change homes should their circumstances change i.e. they need to move to be closer to work. The Act includes extending existing powers of the Secretary of State and the regulator to give directions to include methods of assisting tenants to exchange tenancies, such as introducing flexible and fixed term tenancies for example.

4.1 Monitoring and Reviewing the Tenancy Strategy

Shropshire Council has established a steering group to monitor and review the effectiveness of this strategy. Membership of the steering group includes Council officers, RPs and the HCA.

Monitoring will include trends in:

- Housing needs
- Homelessness (aligning with Homeless Strategy)
- Reviewing effectiveness of allocation policy
- Rent levels across all tenures
- Number of new homes built including affordable, and which tenure(s)
- Any effect on site viability?
- Changing trends in housing benefit paid.
- Lettings of affordable rents including number of bids and acceptances

Shropshire Council will also monitor compliance with the Tenancy Strategy by regular meetings with RPs.

We will investigate how we can ensure compliance with the strategy by including a suitable clause within future Section 106 agreements.

5. Broad aims of the Tenancy Strategy

This Tenancy Strategy aims to work alongside the Shropshire allocations policy; housing strategy and homelessness strategy to:

- Allow for the greatest degree of choice possible in the allocation of affordable housing
- Ensure that those in the greatest need of housing have the greatest opportunity to secure it
- Help contribute to the development of sustainable communities and support the local economy
- Help us to meet other strategic aims, including enabling vulnerable people to live independently in the community (Supporting People) and to prevent homelessness
- Provide local lettings and sensitive lettings policies where these contribute to meeting wider strategic aims
- Achieve mobility for existing tenants
- Make best use of the housing resources available
- Contribute to overall mobility within the affordable housing sector
- Contribute to diversity within our communities and help towards tackling discrimination
- Enable us to meet our statutory duties _ including where duties are owed to homeless households under Part VII of the Housing Act 1996 (as amended by the Homelessness Act 2002)
- Ensure simplicity and transparency and minimise subjectivity
- Contribute towards meeting the strategic aims of partner agencies including housing associations, Health and Social Care and other key stakeholders

6. Strategic objectives

The Localism Act requires that all Local Authorities work with their RP partners in the development of their Tenancy Strategy. The Shropshire Tenancy Strategy was developed through a Working Group comprising Shropshire Council Officers, RP representatives and the Homes and Communities Agency.

As agreed through the Working Group it was agreed that the Tenancy Strategy would seek to promote the following outcomes through the utilisation of social housing. Overall, the Tenancy Strategy seeks to establish the housing outcomes that are sought based on ensuring a range of tenure types at a range of price points for the full range of people in different circumstances. Specifically, the Tenancy Strategy aims to achieve the following outcomes and objectives through individual RP Tenancy Policies:

- Seek to prevent homelessness
- Are aligned to the Shropshire homelessness strategy and allocations policy
- Seek to enable mixed and sustainable communities and to tackle mono tenure estates
- Effectively seeks opportunities to maximise the appropriate use of, and establish the relationship with, the Private Rented Sector
- Seek to ensure appropriate access to affordable housing; effective use of the assets of the Council and partners and tenancy management standards
- Need to ensure that there is a very clear criteria and appropriate appeals process for ending tenancies at the end of the flexible tenancy period and that appropriate high quality advice is available with regard to housing options
- Need to consider Local Lettings Plans, such as for people who are working in order to ensure 'mixed' communities
- Disposal policies should give regard to the Tenancy Strategy (for instance relating to maximising rural dwellings)
- RPs policies should reflect Shropshire Councils priority to ensure that young people are retained within Shropshire and have good housing options
- The coming to an end of a tenancy should only be in very clearly defined circumstances. RPs should consider alternative options such as opportunities to change tenure.
- RPs should give due consideration to all options including changes of tenure prior to the disposal of social housing
- Seek to facilitate mobility, thereby aiding moves in order to gain employment.
- Broaden access to housing
- Sits in the broader context of a pathway to ensure that housing is a springboard into work rather than being seen as a trap
- Makes effective use of the assets of Shropshire Council and partners to deliver positive outcomes, such as through measures to tackle under occupation
- Where possible incentivises positive tenant behaviour

- Complements and supports broader strategic aims – Community Strategy, Corporate Plan, housing strategy, homelessness strategy, allocations policy, Local Development Framework
- The Council seeks to ensure effective use of both existing and new housing stock. Under-occupation is a pressing concern. It is recognised however that there is a balance to be struck between reducing and/or not permitting under-occupation and maintaining stability within a community. Schemes and proposals to permit or to reduce under-occupation should be supported by a Local Lettings Plan, evidencing the need for such an approach.

7. Guidance for Registered Providers on Tenancy Policy

7.1 Definitions of Affordable Housing and Affordability

Affordable housing

Essentially, affordable housing is housing provided at below market cost, either through renting or by a mixture of renting and buying part of the property, the latter is more commonly known as shared ownership.

The National Planning Policy definition of affordable housing has been amended during 2011 and now includes 3 types of affordable housing:

- a) social housing up until the introduction of affordable rents was the main model provided by housing associations and refers to housing that is subject to strict rent controls
- b) Let at affordable rents which is up to 80% of market rent
- c) Intermediate housing, which includes shared ownership

It also states that affordable housing should

- Meet the needs of eligible households including availability at a cost low enough for them to afford, determined with regard to local incomes and local house prices.
- Include provision for the home to remain at an affordable price for future eligible households or, if these restrictions are lifted, for the subsidy to be recycled for alternative affordable housing provision.

Affordability

Within the Shropshire Local Housing Market Assessment, properties are considered affordable to rent if they constitute no more than 25% of gross household income; shared ownership is considered affordable if it does not exceed 30% gross household income; while purchase is considered affordable at 3.5 times gross household income.

The Department for Communities and Local Government SHMA guidance suggests using 3.5 times gross income ratios for single income households and 2.9 times gross income for dual income households for market purchase. This is roughly the level mortgage lenders lend at.

7.2 Flexible Tenures

Shropshire Council considers that where flexible (fixed term) tenancies are used these should be for a minimum term of five years in order to provide stability and security. Any circumstances in which the RP should seek to grant a fixed term tenancy of less than 5 years should be in exceptional circumstances and should be agreed with Shropshire Council. It is expected that unless there has been a significant change in circumstances following a review the tenancy will be renewed for a further period. The circumstances where a tenancy is not renewed should be driven by housing management 'best practice' factors.

Where a tenancy is renewed the rent may change as the property would be subject to a new assessment of the market rent.

In addition Shropshire Council supports RPs continued use of probationary and lifetime tenancies, as is considered appropriate.

7.3 Mobility in social housing (moving house)

Shropshire Council recognises the need for tenants to be able to move to be closer to work, family support etc and supports the Government's efforts to facilitate easier movement within the sector. In line with Government Guidance, we would expect all RPs operating in Shropshire to sign up to the national housing mobility scheme.

7.4 Under-occupation and 'down-sizing'

Shropshire supports landlords taking positive action to facilitate a move to more suitable accommodation where tenants circumstances change and their current home is too large or indeed where the accommodation is too small.

The proposed housing benefit restrictions on bedroom size coming into force from April 2013 for working age households will add further pressure to ensure that properties are not under occupied.

A large percentage of those under occupying are likely to be older households where their children have grown up and left the family home. National research has shown that the most important thing to those who may be under occupying their home is the right home in the right location. General purpose housing is preferred by those aged 55-70 allowing at least one spare bedroom, while some older tenants might wish to move into retirement housing.

Under occupancy is linked to the provision of appropriate advice and assistance at the end of a fixed tenancy where a review will be carried out.

7.5 Properties with Adaptations

Adaptation is made to homes to make it easier to access facilities within it. Adaptations usually mean structural changes are needed to a home such as:

adapting the home for wheelchair use (for example widening doors, installing a ramp).

As adaptations can be expensive, it is important that adapted properties are lived in by those needing the adaptations. Where there is a change in circumstances and the tenant no longer requires an adapted property Shropshire Council is of the view that it is important that the tenant is rehoused and the adapted property is allocated to someone requiring these adaptations to ensure that the best use is made of that property and a scarce resource is made available to as many applicants as possible.

7.6 Requirements of specific groups

It is important that the housing needs of specific groups for example older people with support or care needs; support for adults with learning disabilities are taken fully into account when planning for new homes. Housing for such groups usually requires either specially built or adapted housing.

There is a rapidly ageing population in Shropshire, particularly in the south of the County. This presents challenges in ensuring we plan for the provision of, and access to, appropriate housing that this group may need in the future.

7.7 Renewing the tenancy

It is expected that unless there has been a significant change in circumstances following a review, the tenancy will be renewed for a further period.

It is expected that fixed term tenancies expiring will usually be renewed where:

- The household includes children of school age. However, we may need to recognise that children stay with their parents well beyond school age for valid reasons, and these will be considered on an individual basis.
- The household includes a disabled person with adaptations to the home
- The occupant receives some form of housing support or is recognised as being vulnerable in some way
- The household remains unable to access market housing

Other factors which will inform the decision on renewal will include:

- The conditions of the tenancy are being maintained
- Where the household is playing an active role in the community
- Where the tenant can demonstrate significant investment in the upkeep of their home

It is expected that fixed term tenancies expiring may **not** be renewed where:

- The household is under-occupying the property (an alternative tenancy should be offered). However, specific circumstances should be taken into account. Potentially, tenants, such as young couple or families may be allowed to under occupy in order to allow the family to grow into the house and have a firm base in the area.

- The households' circumstances enable them to access market housing AND there is not a reason to seek to retain the household in the locality for purposes of community balance
- Default on a tenancy agreement (such as non payment of rent, or anti social behaviour)
- Where children in the household have moved away leaving behind under-occupation
- The property was adapted during the tenancy period for someone with a disability only for that person to no longer be resident there
- Where a person has been granted a property in order to receive support but then refuses to accept that support
- Where it is identified the property is inappropriate for an individual's needs, i.e. they are not coping in the property or they need more support than is currently being provided.

It is expected RPs will offer reasonable and appropriate advice and assistance to occupiers in circumstances where tenancies are ended.

It is generally accepted that creating increased churn in the housing stock is not desirable – for the Local Authority, keeping people in established communities is more sustainable and for the RPs it helps keeps costs down for the business model. Therefore the occurrences when tenancies are not renewed are likely to be the exception and not the rule.

7.8 Conversions and disposals of stock

Shropshire Council accepts the need to set targets for converting existing affordable housing stock to affordable rents in order to generate funding for RPs to build more homes. To inform the 2011-15 bid round, Shropshire Council established the following principles in relation to affordable rents and stock disposals

The development and maintenance of strong sustainable and mixed communities is a central strategic objective for Shropshire Council.

In order to support this, the Council seeks to ensure a range of tenure types at a range of price points are available for people in different circumstances and in different localities across Shropshire. To achieve this strategic objective, it is anticipated that RPs will take the following principles into consideration through the bidding round.

- The Council seeks to achieve an overall increase in affordable housing stock throughout the 2011-15 period.
- Rural affordable housing is a key priority for Shropshire, therefore the Council would strongly discourage disposal of affordable rural housing stock except in exceptional circumstances.
- Prior to disposal of affordable housing, Registered Providers should give due consideration to a full range of alternative options, including conversion to the affordable rent level, alternative tenure, or remodelling to enhance rental income (example: shared accommodation). It is expected

that RPs will have a disposal policy in place which will be made available to Shropshire Council.

- When developing their policies with respect to implementation of affordable rents, the Council requires Registered Partners to have due regard to the Council's Affordable Housing Allocation Policy and Allocations Scheme and further to ensure such policies are fair and transparent, and deliver a consistent approach to decision making in relation both to rent management and housing allocations.
- Registered Providers are encouraged to develop clear policies balancing implementation of affordable rents with the need to sustain their development programmes.

7.9 Applications for Council funding support

- When considering applications for funding support, the Council will take into consideration factors including site costs, location and rurality. Additionally, Registered Providers will be expected to demonstrate that they have given due consideration to optimising their own resources.
- The Council expects Registered Providers to rigorously examine opportunities for cross subsidy on all new developments.
- The Council is keen to promote and support collaborative partnership working, including engagement with local businesses and communities. The extent to which schemes are developed in partnership will be a consideration when assessing the merits of applications for strategic and/or financial support.
- There is established need in Shropshire for affordable housing for young people of working age. Housing for people under 35 years presents a particular challenge. When evaluating proposals for affordable housing – new and existing stock - the Council will seek to ensure delivery of a range of options for people under 35 years, including provision of shared accommodation.
- The Council seeks to ensure effective use of both existing and new housing stock. Under-occupation is a pressing concern. It is recognised however that there is a balance to be struck between reducing and/or not permitting under-occupation and maintaining stability within a community. Schemes and proposals to permit or to reduce under-occupation should be supported by a Local Lettings Plan, evidencing the need for such an approach.
- The Council welcomes innovative proposals relating to specialist housing and support which take account of the priorities within the Shropshire Local Investment Plan and the Shropshire Place Plans. This includes participation in bringing Empty Homes back into use, delivering the Homelessness Change Programme and development of additional Traveller Pitches.

As an overarching principle, Shropshire Council expects housing to be affordable for local communities.

7.10 Local Lettings Plans

To allow RPs to create sustainable communities and to prevent communities from becoming management problems it is proposed enable local letting plans where appropriate and where agreed between Shropshire Council, the RPs and other key stakeholders.

7.11 Housing Enabling

Local authorities are enabled to support applicants to take responsibility for their housing and to look at different opportunities for accommodation. Examples include moving from a housing association property to private renting and vice versa or moving from private or housing association into owner occupation. It could also mean for those that don't want to move extending or adapting their current home to meet their family's changing needs.

This enables route for deciding an applicants housing options at a particular time in an applicants life. This includes consideration of their immediate needs, but also allows them to make long term plans to meet their housing aspirations.

The introduction of the housing reforms provides the ideal time to refocus the range of housing options available, and how they can assist individuals at different stages in their lives.

Working with all our partners we wish to maximise the range of options that residents and prospective residents can choose to take when deciding to move or improve their home. Our aim is to make these pathways as easy and flexible as they reasonably can be.

7.12 New Power to Discharge Homelessness Duty through the Private Rented Sector

The Localism Act makes changes to the duty to accommodate which is owed by Local Authorities to households assessed as statutorily homeless. Local Authorities will be able to discharge their duty to homeless households with an offer of suitable accommodation in the private rented sector provided the tenancy is for a minimum of one year. This option is already available to local authorities but it must be with the agreement of the household, a requirement which this new provision removes.

Shropshire Council actively works to build up links with the private rented sector and facilitate access into this sector. A determining factor as to when to make use of this new power will be the availability of affordable, good quality private rented accommodation. It is likely that this power will be looked at on a case by case basis and used as appropriate, similar to the approach taken at present.

7.13 Equalities and Diversity

Shropshire Council expects RPs to give full consideration to equality and diversity issues during the development of their tenancy policies.

8. Communication

Shropshire Council intends to:

- Minimise and reduce confusion
- Make housing options as clear as possible
- Support and maintain strong links with RPs

To do this, we want to

- Raise awareness of the new products on offer and how they have come about
- Allay any fears from applicants and existing tenants about their rights and security being affected or diminished
Communicate the changes which mean some new tenancies will be (a) on a different rent and (b) on a shorter term tenancy agreement
- Provide early information about notices and formal procedures involved in the new flexible tenancies, to reassure customers and prevent undue concern towards the end of a fixed term
- Set out how the revenue-funded system will work in future years, and our hopes for the housing it may deliver
- Work with our RP partners to investigate alternative marketing approaches needed, should new “affordable rent” homes meet a different customer groups from our choice based lettings system
- Work with RPs to agree on the key messages and try wherever possible to convey these messages to all our residents
- Seek to utilise the allocations scheme to accommodate the new products, the additional factor of tenancy length and (as necessary) any link to the new rents set and the Housing Benefit system, to help people assess how affordable the new products will be before making a bid.
- Use the allocations scheme and other existing communications channels to promote the new tenure products.

Appendix 1: options appraisal

Policy Area	Options	Intended Benefits	Possible Negative Impacts	Cost Implications
Fixed Term Tenancies	No Change – continue to offer lifetime tenancies in all cases	<ul style="list-style-type: none"> ▪ Retains security of tenure for all tenants. ▪ Promotes simplicity and fairness ▪ Avoids implementation and administration costs of changes to policy 	<ul style="list-style-type: none"> ▪ HCA support for new build not available without an element of fixed term tenancies at affordable rent. ▪ Would prevent PRPs from actively managing assets. Currently, there are over 8,700 households on housing register and significant underoccupation. Fixed term tenancies would assist in more effective management to ensure social housing is targeted at those who most need it. 	No additional costs but DCLG impact assessment suggests savings could be made from the changes.
	Limited Change - Offer fixed term tenancies in certain circumstances	<ul style="list-style-type: none"> ▪ Enables provision to be focused on those in greatest need. ▪ Encourages personal responsibility for exploring various housing options in addition to social housing ▪ Provides an additional tool for housing management ▪ Facilitates charging of an 'affordable 	<ul style="list-style-type: none"> ▪ May create insecurity for vulnerable tenants ▪ Could potentially create residualisation on social housing estates – households becoming able to access private sector accommodation may be asked to 'move on'. ▪ Could dis-incentivise aspiration if getting a job may contribute to the loss of a tenancy ▪ Dis-incentivises self-organised property repairs ▪ May be difficult to determine when it is 'fair and reasonable' to offer a fixed term or secure tenancy. 	<p>Cost savings from:</p> <ul style="list-style-type: none"> ▪ Reduced use of temporary accommodation <p>Cost increases from:</p> <ul style="list-style-type: none"> ▪ Implementation ▪ modifications to housing management databases ▪ providing advice & assistance ▪ reissue, review and appeal procedures & processes ▪ legal costs to enforce possession when

		<p>rent' which should increase rental income and therefore investment funding for new build. Allows access to HCA funding</p> <ul style="list-style-type: none"> ▪ Helps relieve under-occupation and through a 'knock-on' effect, over crowding 	<ul style="list-style-type: none"> ▪ Reviews at end of fixed term may be costly and bureaucratic. ▪ Much of the increase in rent may be paid for by HB – the saving to the public purse may be marginal. 	<p>tenants will not leave</p> <ul style="list-style-type: none"> ▪ Increase in rent loss and voids costs due to increased turnover ▪ Increase in homelessness assessments
	<p>Radical Change - Offer fixed term tenancies for all new tenants</p>	<p><i>Unlikely to be considered due to the need to continue to offer security of tenure to existing tenants relocating, and new, particularly vulnerable tenants such as the elderly or disabled.</i></p>		

Affordable rents

Considerations:

- When developing their policies with respect to implementation of affordable rents, the Council requires Registered Partners to have due regard to the Council's Affordable Housing Allocation Policy and Choice Based Letting Scheme and further to ensure such policies are fair and transparent, and deliver a consistent approach to decision making in relation both to rent management and housing allocations.
- Registered Providers are encouraged to develop clear policies balancing implementation of affordable rents with the need to sustain their development programmes.
- When considering applications for funding support, the Council will take into consideration factors including site costs, location and rurality. Additionally, Registered Providers will be expected to demonstrate that they have given due consideration to optimising their own resources.
- Encouraging social landlords to improve opportunities for tenants to move home
- Introduction of affordable rent to enable new housing supply with less public subsidy. Through charging affordable rent, PRPs are able to increase their income from social housing and to increase their borrowings in order to provide additional affordable housing.

- Changes to Housing Benefits and other welfare benefits

Affordable Rents	No Change – continue to charge only social rents on all stock	<ul style="list-style-type: none"> ▪ Maximises affordability for all tenants ▪ Incentivises tenants that improve financially to retain their tenancy and thereby contributes to mixed and sustainable communities ▪ Consistent & fair – avoids charging different rents to different tenants for identical properties 	<ul style="list-style-type: none"> ▪ Passes up opportunity to generate additional fund for new builds and to ration a limited resource to those in most need. ▪ If new house building drops we risk: <ul style="list-style-type: none"> - More people remaining in temporary accommodation - More people living in unsuitable conditions (e.g. children and parents having to share homes with friends and relatives) - Supported accommodation projects becoming silted up, with nowhere to move people on to - The Council would lose out on the New Homes Bonus - More people homeless, with all the related issues and costs for our communities – such as potential crime, drug and alcohol use. There could be increased costs to the Council with an increased number of people approaching the Council for assistance, and more approaching each year as their private tenancies ended 	No additional costs
	Limited Change - Charge affordable rents in certain	<ul style="list-style-type: none"> ▪ It allows the use of fixed term tenancies and their attendant benefits – these cannot be used 	<ul style="list-style-type: none"> ▪ Complexities of deciding when to offer a lifetime tenancy, when fixed and of what duration ▪ Discourages self-improvement. 	Implementation and review costs

	defined circumstances	<p>unless part of an affordable rent model.</p> <ul style="list-style-type: none"> ▪ Raises additional funds for new investment. ▪ Allows access to bid for HCA funds ▪ Arguably 'It's reasonable to expect those with a greater ability to pay to do so' 	<ul style="list-style-type: none"> ▪ Reduces affordability for tenants ▪ In some areas of Shropshire, particularly in the North of the County, the difference between an existing social rent and a new affordable rent (being up to 80% of a market rent may be too small to generate the extra income for investment that the government intends. ▪ There is no requirement for RPs to use the receipts from higher rents in the same area they were raised from. So higher rents in Shropshire could be used to fund investment in a distant authority. Many RP's operate across a number of LA areas so this is a distinct possibility. 	
	Radical Change - Charge affordable rents on all new tenancies	<i>Not recommended by government or legislation</i>		