

# Tenancy Strategy 2021 - 2026

## Introduction

The Council's Tenancy Strategy sets out how the Council's position on the length of tenancies that should be let in the borough, with the aim of ensuring the best use of the existing stock and for the tenancies let in new homes.

This strategy covers both the tenancies that the Council will provide (as a public registered provider of housing) and how private registered providers (such as housing associations) are expected to provide tenancies in the Borough. Private registered providers cover both non-profit and for profit providers.

The tenancy strategy has been reviewed following the publication of the Council's updated strategy and to provide the opportunity to engage with local registered providers on the content of the strategy and apply any learning or good practice to the updated strategy.

## Background

Section 150 of the Localism Act 2011 requires each Local Authority to produce a written Tenancy Strategy and to ensure that it is published.

Specifically, there is the requirement for a local housing authority in England to prepare and publish a strategy (a "tenancy strategy") setting out the matters to which the registered providers of social housing for its district are to have regard in formulating policies relating to:

- (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 (i.e. how long the tenancy is expected to last).
- (d) The circumstances in which they will grant a further tenancy on the coming to an end of an existing tenancy.

The tenancy strategy must summarise those policies or explain where they may be found, and a local housing authority must have regard to its tenancy strategy in exercising its housing management functions. This would mean the letting of the Council's tenancies and the tenancies let by registered providers through a Choice Based Lettings scheme.

A local housing authority must keep its tenancy strategy under review and may modify the tenancy or replace it from time to time. Where a local housing authority modifies its tenancy strategy, it must publish the modifications, or the strategy as modified (as it considers appropriate).

Every Registered Provider must publish its own tenancy strategy and related guidance in relation to the tenancies they offer to tenants. The Council's Tenancy Strategy guides Registered Providers on both the their current homes and new homes built in the future.

Registered providers are expected to consider this Tenancy Strategy when devising their own strategies and specifically the tenancies let within the borough.

Where a Registered Provider cannot meet the approach outlined in this Tenancy Strategy there is the expectation that the provider will contact the Council to discuss this and the reasons for this.

### The Council's approach

The Council will provide the following types of tenancy.

Type of agreement	Circumstance
<b>Introductory tenancy and fixed term tenancy agreement</b>	All new general needs lettings.
<b>Secure tenancy</b>	Sheltered housing.
<b>Non-secure tenancy</b>	For those residents asked to decant from their home due to regeneration, to complete repairs, succession cases (where the occupier does not have the right to succeed) or where we you are housed under homelessness legislation.
<b>Licence agreement</b>	For shared accommodation.

### Rationale for the use of Fixed Term Tenancies

Social Housing is a scarce resource in the Borough, with far more demand than supply. There are just under c3,500 social housing homes in the borough with a tenancy, of which c450 are properties designated for older people (aged 55 and over).

Each year there are around c200 lettings and an average turnover in the Council's stock of 7% to 8% across its 2,500 homes and this is replicated across the other registered provider stock.

Within the Council's stock there are currently 1,900 secure tenants and 600 fixed term tenancies.

There is a high degree of under occupation as households' circumstances change over time and their housing need changes. At the time of writing within the Council's stock there are currently 50 households recorded as under-occupying their home.

There are currently around c750 people on the housing register and waiting list at any one time. Therefore there is unmet need due to the lack of social housing available.

The rationale for using fixed term tenancies is to facilitate the release of properties that have become under-occupied or are no longer suitable, or where the tenant's financial circumstances have changed meaning they can afford other accommodation or cannot afford to live in their current home. The use of fixed term tenancies will help alleviate the issues associated with under-occupancy that can occur with long term periodic secure tenancies.

The Council's view is that using 5 year fixed term tenancies creates the right balance between an administrative burden and reviewing tenants' circumstances on a regular basis to maximise the opportunities to make the best use of the limited housing stock.

As well as having an impact on meeting housing need, the under-occupation of households will potentially have an impact on the financial circumstances of households where they are reliant on welfare benefits. This is due to the under occupation charge.

An under occupancy charge can be applied to anyone who is of working age, in receipt of Housing Benefit or Universal Credit and they have more bedrooms in their property than the government think that they need. An amount is deducted from any Housing Benefit or Universal Credit entitlement if the household has one or more 'spare bedrooms'.

The impact of the Tenancy Strategy and the use of fixed term tenancies is a long-term approach, with the impact seen over time. The strategy will release much needed larger family accommodation to meet the recorded need, as well as creating the expectation among new tenants that these properties are only available while the size of their family justifies them.

The grounds for the review of a fixed term tenancy will need to reflect the intention to make the best use of the existing stock and and be applied consistently and reasonably based on the households' circumstances. For the Council's tenancies a tenancy review process will be implemented in line with good practice.

To take account of the Council position clarity is provided on the preferred type of tenancy and reviews in the next two sections.

### **Preferred Type of Tenancy**

The Council encourages Registered Providers to offer one year introductory tenancies, followed by fixed term tenancies of not less than 5 years to all new affordable housing tenants in Brentwood with the exception of:

1. Where the property is designated as supported housing which is designed to be let for a limited time (e.g. homeless or "move-on" accommodation). This is because a minimum of five years is too long a tenancy to be appropriate for this type of accommodation. We expect clients to move on to independent accommodation much sooner than this.

2. Where the prospective tenant who is allocated the property in accordance with the Allocations Policy falls into one of the following categories of people:

- A person aged 55 or over.
- A person who is vulnerable as result of mental illness, learning disabilities and/or physical disabilities.
- A person who is vulnerable due to other special reason (i.e. chronic illness, Aids/HIV related illnesses or other reason that the Registered Provider may identify).

We encourage Registered Providers to either continue to offer lifetime tenancies to the people identified in point 2 above, or to offer a fixed term tenancy with the expectation that it will be renewed without the need for a formal assessment.

The reasoning for this is that vulnerable clients who fall into the above groups are more likely to require the long security of affordable housing without uncertainty as to the future, and because the prospect of potentially having to move in the future could be a concern that affects their ability to settle in their new home and sustain their tenancy.

The statutory minimum tenancy available for Registered Providers is two years. However the Council does not encourage Registered Providers to offer tenancies for fixed terms of less than 5 years.

Given the disruption and costs involved with moving house for the tenant, and the administrative burden for the Registered Provider in respect of the review process and potential stock turnover, the Council does not believe the statutory minimum tenancy of two years is sustainable given the Borough's profile.

The Council expects Registered Providers using the Choice Based Lettings scheme or advertising through other means to state clearly in the advertisement for each property:

- The type of tenancy they plan to offer to a new tenant; and
- The length of the term if it is a fixed term tenancy.

## **Reviews**

At the end of the fixed term period, we encourage Registered Providers to review the tenant's circumstances. The Council proposes that within the review process, the following factors should be considered:

- 1) Whether the tenant is now under-occupying a property.
- 2) Whether the tenant is occupying a property no longer suitable for their household needs that may be suitable for other households. For example if a tenant is living in an adapted dwelling and no longer has a household member with a disability.

If the review determines that the household is now under-occupying their property, or if the property has adaptations that are not being used, we would expect the Registered Provider to work with the household over a period at least 6 months, providing advice and assistance in order to facilitate a move to a more suitable property.

This can either be another affordable rented property, or a private rented property if it appears the household could afford this. As a guideline in respect of the private rented sector, we would expect the Registered Provider to demonstrate that at least three private rented properties are available for the household to occupy within a five mile radius, which they could reasonably afford given their income and circumstances. This is only an indicative distance, and each Registered Provider will make a decision on what is appropriate.

Where the terms of the tenancy have been breached, landlords are expected to manage these issues proactive in accordance with good practice.

The Council will have its own review process for fixed term tenancies in line with the above criteria. Where tenants are under-occupying the Council will encourage residents to downsize through an under-occupation scheme.

## **Consultation**

The Council's Tenancy Strategy was previously included in the Housing Strategy, as part of the review of the Housing Strategy local Registered Providers were asked for their comments. In addition this updated document was shared for feedback to be received.

There was no feedback received from the Registered Providers. The Council will be working on setting up a forum to discuss housing issues in the Borough and it is expected that this will enable a higher level of formal and informal engagement.

## **Reviewing this Strategy**

We will review our Tenancy Strategy on a five year rolling basis. The next review will therefore take place in 2026. We will consult with customers, Registered Provider partners and the portfolio holder with responsibility for housing.