

Appendix 1



Tenancy Strategy
(DRAFT July 2020)

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1. Introduction

Welcome to Canterbury City Council's Tenancy Strategy, which is written from the council's strategic perspective as the Local Housing Authority, not as a stock-owning landlord of social housing.

2. Purpose

The council is required by section 150 of the Localism Act 2011 to prepare and publish 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 term certain, 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.

As the Tenancy Strategy is aimed at Registered Providers, it is written for informed readers, such as councillors and housing professionals, and the terms and language reflect this. It is available online and will be provided on request to any resident.

The Tenancy Strategy is part of a framework of housing strategies policies, and procedures which is explained in Appendix A. It replaces the Tenancy Strategy 2013-18, and is informed by the council's Housing, Homelessness and Rough Sleeper Strategy 2018-23 and the Housing Revenue Account (HRA) Business Plan 2019. It will influence the council's review of the Housing Allocations Policy and the Tenancy Policy.

3. Aims

The Canterbury district faces some difficult housing challenges. High property prices and rents mean that many households cannot afford to rent or buy a home on the open market. Affordable housing is in short supply: accommodation provided by the council and Registered Providers make up only about 11% of all homes in the district, so many people who need an affordable home cannot get one.

The aims of this Tenancy Strategy are to ensure that:

- The council fulfills its legal duties under sections 150 and 151 of the Localism Act 2011.
- Registered Providers are aware of the council's approach to the matters contained in this strategy and that these are reflected in their own tenancy policies.
- The council and its partners jointly meet local housing needs with the limited resources available in the most efficient and effective way.
- The kinds of tenancies offered and their terms serve the best interests of both the individual household and the landlord.
- A consistent approach is taken towards the use of Flexible Tenancies in the district.
- Tenancy policies are aligned to facilitate tenant mobility to make best use of the affordable housing stock.
- Registered Providers' tenancy policies do not have an adverse effect on homelessness.
- Registered Providers create and maintain mixed and sustainable communities,
- Social Landlords provide support to help vulnerable people sustain their tenancies and ensure that tenants abide by the terms of their tenancies, backed by appropriate sanctions when necessary.
- Affordable housing is affordable to local people.

4. What is not included

The Tenancy Strategy has a particular function, as explained in section 2. It is not intended to cover the whole range of strategic housing issues, which are addressed in other strategies, such as:

- Overall housing requirements for the district, which are contained in the Local Plan.
- The need for affordable housing, which is set out in the Housing, Homelessness and Rough Sleeper Strategy 2018-23.
- The allocation of council homes is contained in the Allocations Policy.
- Our approach to homelessness.
- The council's internal arrangements for delivering housing services.

5. Guidelines for Registered Providers in the Canterbury district

5.1 Tenancies

Following the introduction of the Housing Act 1985, social housing tenants were offered an Assured or Secure Tenancy, which granted them a home for life. Flexible Tenancies were introduced as part of the Localism Act 2011 with the aim of helping Registered Providers to make best use of their stock and respond to changing housing needs.

Registered Providers may still offer the types of tenancies they currently use, such as Introductory, Secure and Assured Tenancies: Flexible Tenancies are an additional tool. The council is keen to ensure that the different types of tenancies are used to support sustainable communities and ensure that vulnerable tenants are provided with the level of stability they need.

5.2 Using Introductory Tenancies

The council recommends that all new tenants should be granted an Introductory Tenancy, sometimes also referred to as probationary or provisional tenancies, for an initial period of 12 months, which can be extended by up to another six months.

Before the start of the Introductory Tenancy, prospective tenants should be told:

- That they do not have the same rights as Secure or Flexible tenants; for example they cannot:
 - Apply for the Right to Buy their home
 - Carry out a mutual exchange with other tenants.
- Whether they will be granted a Secure or Flexible Tenancy at the end of the Introductory period.
- The reasons why the landlord may refuse to grant a tenancy at the end of the Introductory Tenancy, such as
 - The property is no longer suitable for the tenant and an alternative affordable home is being offered that is in a location and of a type and size that will be more appropriate for the tenant in the foreseeable future.
 - The tenant's financial circumstances have improved to a level where other forms of tenure could be affordable, such as shared ownership or open market purchase.
 - The conduct of the tenant is such that they would not be accepted onto the council's Housing Needs Register, including rent arrears or other housing debts and their history of addressing these issues .
 - The tenants have breached the terms of their tenancy or have been involved in criminal activity or anti social behaviour.
 - The tenancy was obtained fraudulently.
- The process for reviewing tenancies and the factors that will be considered.
- The process for appealing against a decision not to grant a further tenancy.

The council expects Registered Providers to provide appropriate tenancy support to help vulnerable people to sustain the tenancies, but also expects providers to take robust measures to deal with tenants who commit anti-social behaviour to protect individuals and communities.

5.3 Using Flexible Tenancies

The introduction of the fixed term Flexible Tenancy enables landlords to review the tenant's circumstances at the end of a specified period to identify the most suitable housing option for them. This may include moving to another affordable rented property more suited to their needs, or other options such as shared ownership or home ownership. This approach supports the council's desire to ensure that best use is made of the limited housing stock in the district, whilst taking into account tenants' personal circumstances.

It is essential that all prospective tenants understand the type of tenancy they are being offered before they are obliged to accept it.

Where Registered Providers use Flexible Tenancies, the council expects the following factors should be taken into account:

- Flexible Tenancies should be for a minimum of five years, with consideration given for longer terms in appropriate circumstances.
- Longer Flexible Tenancies should be considered for families with young children, older households and for vulnerable tenants who would benefit from increased stability.
- Shorter tenancies of two years should be used only in exceptional circumstances, for example where accommodation is intended to be short term, or there have been significant previous tenancy breaches, or there are concerns about affordability. This should be clearly explained in any tenancy policies
- All prospective tenants should be given clear information before the start of a tenancy, on the tenancy type, the reasons why that tenancy is being offered, and explain the rights and responsibilities specific to the tenancy and the process for reviewing Flexible Tenancies.
- In most cases it is expected that a further Flexible Tenancy will be granted for the same property at the end of the fixed term.
- Decisions to end a Flexible Tenancy by accelerated legal proceedings should be proportionate and clear guidance should be given to tenants on the process, how to access independent advice, and how to secure suitable alternative accommodation.

In some circumstances a Flexible Tenancy will not be suitable and a lifetime Assured or Secure tenancy is more appropriate, for example:

- Housing designated for older people, or
- General needs housing where the occupant will be 60+ years of age.
- Housing designated for vulnerable people such as those with learning or physical disabilities, or anyone with any enduring mental health issues. The exception to this will be where the accommodation is designed for move-on to more permanent housing or where specific adaptations may not be required long term.

This list is not exhaustive and there may be other circumstances where a Flexible Tenancy may not be appropriate.

5.4 Reviewing Flexible Tenancies

Registered Providers should explain in their tenancy policies the process for reviewing Flexible Tenancies, detailing the frequency of review and what factors will be considered.

The council recommends that Flexible Tenancies are reviewed between six and twelve months before the end of the term. The review should establish how the tenant has conducted

their tenancy, how the tenant has managed their property, whether the property is still suitable to their needs, and whether the tenant has the means to move to alternative accommodation.

If the circumstances of the household are broadly similar to those at the time of the original letting, there should be a presumption that Flexible Tenancies will be renewed. Examples of significant changes to a tenant's circumstances include:

- The property is no longer suitable for the tenant and an alternative affordable home is being offered that is in a location and of a type and size that will be more appropriate for the tenant in the foreseeable future.
- The tenant's financial circumstances have improved to a level where other forms of tenure could be affordable, such as shared ownership or open market purchase.
- The conduct of the tenant is such that they would not be accepted onto the council's Housing Needs Register, including rent arrears or other housing debts and their history of addressing these issues .
- The tenants have breached the terms of their tenancy or have been involved in criminal activity or anti social behaviour.
- The tenancy was obtained fraudulently.

5.5 Ending Flexible Tenancies

Where a tenancy is to be ended without a breach of tenancy, reasonable efforts should be made to offer suitable alternative accommodation, and consideration given to extending the tenancy until alternative suitable accommodation can be made available.

The Registered Provider should give at least 6 months notice to a tenant where there is an intention not to renew a tenancy.

The reason for ending the tenancy should be clearly set out and information provided to the tenant on how to appeal. The appeal process should be clearly publicised and be a transparent process.

When ending a tenancy, it is essential that landlords take effective steps to avoid homelessness by working with the council at the earliest opportunity, so that tenants understand their housing options and organisations act together to relieve homelessness before the tenancy comes to an end. The tenant may obtain free, independent advice by contacting housingadvice@canterbury.gov.uk

The council expects that procedures for bringing tenancies to an end will comply with the Equality Act 2010 and the Human Rights Act 1998.

5.6 Survivors of Domestic Abuse

The Secure Tenancies (Victims of Domestic Abuse) Act 2018, states that all Local Authorities and Registered Providers of social housing in England are required, when rehousing an existing Secure Tenant who needs to move or has recently moved from their social home to escape domestic abuse, to grant a Secure Tenancy for their new home.

The council wants to ensure that survivors of Domestic Abuse will not fear losing security of tenure and to provide families with a stable new home. The impact of this on the turnover of social housing stock should be minimal and should be offset by the subsequent eviction of the perpetrator from the former home, thereby freeing up another affordable property.

5.7 Tenancy Management

The council expects social housing providers who own or manage stock within the district, to provide effective Tenancy Management services, including:

- Managing all conditions of the tenancy agreement effectively.
- Ensuring that social housing tenants act appropriately and in accordance with their tenant responsibilities. Deal effectively with the impacts on local communities of anti-social behaviour, alcohol or drug misuse.
- Tackling tenancy fraud.
- Managing tenancy changes, mutual exchanges and the Right to Buy process.
- Assisting in reducing the risk of homelessness.
- Supporting the development of sustainable neighbourhoods.

5.8 Tenancy Sustainment

It is important that Registered Providers ensure that tenants who are vulnerable or who need additional support to sustain their tenancy, can access appropriate services when required. Such assistance can help to enable tenants to remain in their community and their support networks, reducing the risk of homelessness through loss of tenancy.

5.9 Tenant Involvement

All housing providers in the district are encouraged to ensure regulatory requirements are met and to invest in meaningful, inclusive tenant involvement opportunities, which are promoted to their tenants. Registered Providers should use this as an opportunity to continuously improve the quality of services, improve the quality of neighbourhoods and ensure they meet the needs of their tenants.

5.10 Making best use of social housing

Tenants may at some point need to move, and we support household mobility. This can be for a number of reasons including health reasons, to reduce overcrowding and to make best use of our housing stock by addressing under occupation. We expect the tenancy policies of Registered Providers to embrace this and actively support and encourage mobility.

Flexible Tenancies offer an opportunity to increase the number of re-lets in social housing stock.

The council has developed an 'Assisted Moves Scheme', which provides practical support to help people living in the council's social housing to downsize, helping to free up larger properties. We would like to see Registered Providers adopt a similar approach to making best use of their housing stock.

5.11 Addressing Social Housing Fraud

Affordable housing is a limited resource, and therefore great importance should be placed on tackling social housing fraud. Registered Providers are actively encouraged to prevent and uncover fraud, and work with the council and its partners to both address this issue and share good practice.

5.12 Rent Levels and Affordability

The council and Registered Providers aim to supply homes for households on lower incomes. Because of the shortage of affordable housing, only those in most need are likely to be granted a council or housing association tenancy. Rents need to be affordable, but also set at a level that enables sufficient investment to maintain the stock to a good standard.

Rents are set under two rent regimes known as Social Rents and Affordable Rents. The Ministry of Housing, Communities & Local Government (MHCLG) produced a “Policy statement on rents for social housing” in February 2019, which sets out the government’s policy for setting social housing rents from 1 April 2020 onwards.

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/781746/Policy_Statement.pdf

From the 1 April 2020, Registered Providers may not increase Social Rents or Affordable Rents by more than CPI (at September of the previous year) plus 1% in any year for a period of five years.

The council expects all Registered Providers to comply with the Policy Statement on Rents for Social Housing 2020 and the Rent Standard and any subsequent amendments in legislation, regulation or guidance.

5.13 Social Rents

Social Rents must be calculated using the formula, the relevant information and annual uplift contained in the Policy Statement on Rents for Social Housing.

Social rents must not exceed formula rent plus 5% rent flexibility above formula rent for general needs properties and formula rent plus 10% rent flexibility for supported housing.

5.14 Affordable Rents

Affordable Rent will not exceed 80% of gross market rent (including applicable service charges).

Gross market rent is the rent the property would reasonably be expected to be let for in the private sector. Factors including property size, location type and service provision will be taken into account when determining gross market rent.

Registered Providers must comply with the terms of any agreements with Homes England or the Secretary of State when setting Affordable Rents.

Registered Providers should do their best to ensure that Affordable Rent levels do not prohibit or prevent tenants or household members from looking for work by creating a ‘benefits trap’. Where Affordable Rents are used, suitability and income/expenditure checks need to be robust to prevent this.

Affordable Rent housing is an important tool in helping to create financially viable housing programmes. The council recognises that Registered Providers must strike a balance between Affordable Rents and Social Rents, especially where the freeze in Local Housing Allowance rates and changes to welfare benefits have seen benefits no longer covering the full cost of household rent, because of benefit caps and spare room subsidies.

Therefore there is a need to balance rent levels with providing the best outcome for tenants, particularly in relation to tenancy sustainment and homelessness prevention. When assessing rents providers should have regard to:

- The local housing market context, including the Local Housing Allowance for the Broad Rental Market Area in which the property is located.
- Appropriate steps to mitigate the impact on residents on average or below average earnings.

5.15 Converting existing Social Rent properties to Affordable Rent

The council recognises the importance to Registered Providers business plans of rent levels in their existing stock, and wish to work with them to use existing housing assets to maximise their capacity to develop much needed affordable housing.

Registered Providers may convert existing social rent properties into Affordable Rents in certain circumstances. The council would like all Registered Providers who are considering converting Social Rent homes to Affordable Rent to discuss their proposals with the council to assess the potential impact locally.

5.16 Service Charges

Service charges are subject to separate legal requirements as set by The Service Charges (Summary of Rights and Obligations and Transitional Provision) (England) Regulations 2007 No.1257 Reg.3), including tenancy agreements.

The cost of service charges can be a challenge in terms of affordability to lower income households. It is expected that Registered Providers will endeavour to keep service charges to a minimum and any increases within the Guideline Limit of CPI plus 1% per annum.

The council expects that Registered Providers will:

- Set reasonable and transparent service charges that reflect the service provided to tenants.
- Ensure that services and works are of a reasonable standard.
- Supply tenants with clear information on how service charges are set.
- Identify service charges separately from the rent charge.
- Where new or extended services are introduced, and an additional charge may need to be made, the Registered Provider will consult with tenants.
- If actual expenditure is less than the current charge, the service charge will be reduced accordingly.

5.17 Mutual Exchanges

The council recognises that mutual exchanges are an important option available to help tenants to improve their housing situation and for landlords to make more effective use of their housing stock.

The introduction of Affordable Rents and Flexible Tenancies has implications for tenants who wish to exercise their right to mutual exchange. It created a new mechanism for mutual exchanges to protect certain lifetime tenants. If Assured Lifetime and Secure Lifetime tenants who were granted their tenancy before the 1 April 2012 exchange with a Flexible Tenant, then a new Tenancy is issued to each party and the tenant is granted another Secure or Assured tenancy. The Flexible Tenant is granted a new tenancy, but there is no particular provision regarding its status. It will be a matter for the Registered Provider to decide what type of tenancy to offer.

The council would encourage Registered providers to consider granting a degree of security equal to that which is being given up, even if they are not obliged to do so, to ensure that mutual exchanges remain an effective tool.

Registered Providers should ensure that tenants who are mutually exchanging are aware of the implications to their tenancy, including:

- Any changes to their Secure or Assured status.
- Any change in rent level between Social Rent and Affordable Rent.

- Any gain or loss of the Right to Buy.

5.18 Right of Succession

Under the Housing Act 1985, a range of family members were able to succeed to a tenancy on the death of a Secure Tenant, including spouses, partners, civil partners, parents, grandparents, children, grandchildren, aunts, uncles, nephews, nieces and adopted children.

The Localism Act 2011 introduced changes to the succession framework, whereby there can only be one succession, and when one joint tenant dies, this counts as the one succession. Under the Localism Act, Secure Tenancies that started after 1 April 2012 are limited to the succession of the spouse or civil partners as an automatic right.

Registered Providers can make express provision in the tenancy agreement to expand the group of family members that can succeed. However, given the level of housing need in the district, the council does not support this. Successions to tenancies should therefore be applied in accordance with legislation and government guidance applicable at the time of the succession application.

Following the death of a tenant, if there is someone living in the home as their principal residence, who is not entitled to succeed, the Registered Provider should:

- Provide housing advice and assistance to the person on their options.
- Consider the interests of vulnerable people and make sure that their policies offer appropriate protection.
- Where appropriate, offer alternative accommodation that meets the household's needs.

Where a person succeeds to a tenancy but needs to move, reference should be made to the council's Allocations Policy for more details on help available.

5.19 Use of the private rented sector

If Registered Providers secure homes in the Private Rented Sector, the council would prefer:

- Rents no higher than Local Housing Allowance rates.
- If this is not possible, an affordability check should be undertaken to ensure that a tenancy is sustainable.
- Tenancies granted for a minimum term of two years, preferably longer.
- Provision of good quality housing management and maintenance services.
- The property to be in a good state of repair and fit for purpose.

5.20 Local Tenancy Policies

All Registered Providers shall publish clear and accessible policies that meet the requirements of the Tenancy Standard 2015 and this strategy. These policies should be available online and provided on request to any resident. The council will publish its own tenancy policy in its role as a landlord.

6. Review

This Tenancy Strategy will be reviewed as changes in legislation, regulation or guidance may dictate.

Minor changes which do not make a significant difference to service provision will be made to the document by delegated authority to the Head of Housing & Community.

Significant changes will be taken through the council's committee process for consideration.

7. Equality and diversity

We are committed to ensure that this strategy does not impact disproportionately on different equality groups. This strategy has been subject to an Equalities Impact Assessment (EIA). We expect all Registered Providers to undertake and publish an EIA of their own tenancy policies.

8. Useful References

Canterbury City Council's Housing, Homelessness and Rough Sleeping Strategy sets out our priorities and how we will meet the needs of our residents

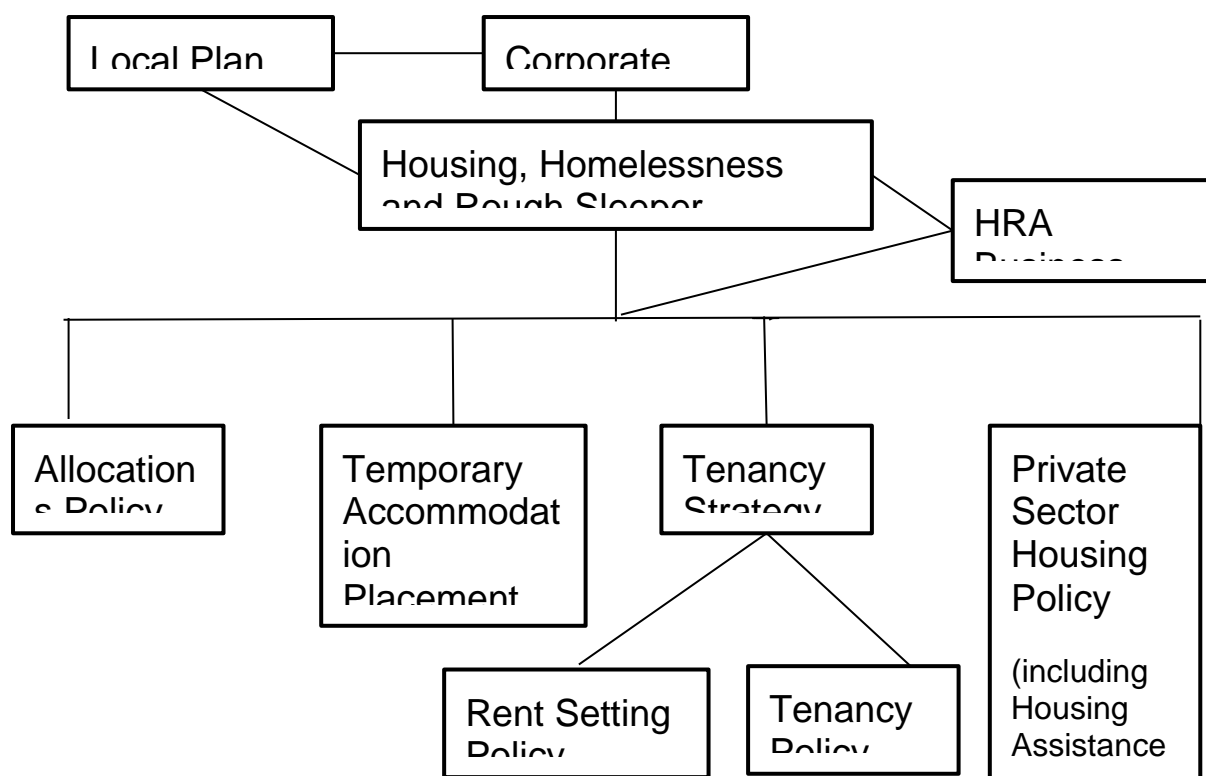
https://www.canterbury.gov.uk/downloads/download/25/housing_strategy

Canterbury City Council's Housing Revenue Account Business Plan 2019 is Canterbury City Council's strategic plan for its housing stock

https://www.canterbury.gov.uk/downloads/download/26/housing_revenue_account_business_plan

Strategic Framework

The Tenancy Strategy is part of a strategic framework, which is explained below:



The **Corporate Plan** sets out the council's future vision and ambitions for the district. The Local Plan sets out local planning policies and identifies how land is used, determining what will be built where, it provides the framework for development across the district.

The **Housing, Homelessness and Rough Sleeping Strategy** supports the aims of the Local Plan and Corporate Plan, it presents a comprehensive picture of local housing needs and sets out how the council, along with partners, will respond to the housing challenges faced by the district.

The **Housing Revenue Account (HRA) Business Plan** is Canterbury City Council's strategic plan for managing its housing stock, it has been prepared in response to a changing policy environment and it explains our current situation, what we want to achieve and how it will be paid for.

The **Private Sector Housing Policy** is an overarching framework that relates to regulatory and other functions of the council's Private Sector Housing team. It aims to ensure that there is good quality, healthy housing for households renting in the private sector, and sets out how support is given to those with a need for medical adaptations, so that they are able to remain in their homes for longer and live both successfully and independently.

The **Temporary Accommodation Placement Policy** sets out Canterbury City Council's approach to the placement of households in temporary accommodation both inside and

outside the district. It also details the council's approach to recovering some of the cost of providing temporary accommodation through reasonable charging, as provided for within the legislation.

The **Allocations Policy** (which is due to be refreshed) sets out the council's approach to the letting of social and affordable rented homes in the district. It applies to both council owned housing and nominations to housing owned by participating Registered Providers. It includes the eligibility criteria for acceptance on to the Housing Needs Register (HNR) and explains how housing needs are prioritised. Allocation of homes are generally made through the choiced based lettings system.

This **Tenancy Strategy** allows Registered Providers and the Private Rented Sector to work with the council to provide a more flexible housing offer in the district.

The **Tenancy Policy** sets out how the council will operationally deliver this strategy.

The **Rent Setting Policy** sets out how the council will calculate and charge rent.