

Ashfield District Council

Strategic Tenancy Strategy 2024

# Introduction

The Localism Act 2011 places a duty on local housing authorities to prepare and publish a Tenancy Strategy. These strategies set out the matters to which private registered providers of social housing are to have regard in formulating their policies on tenancies in terms of:

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

The Localism Act introduced a radical reform of social housing tenure; social landlords are no longer required to let general needs homes on ‘the most secure form of tenure’ possible. They can now offer tenancies for shorter terms.

From 1st April 2012, the Localism Act introduced a new form of local authority Secure Tenancy: the Flexible Tenancy, which is a fixed term tenancy. For housing associations, the Tenancy Standard now allows them to grant Assured Shorthold Tenancies for general needs housing let at social rent.

The statutory minimum fixed term for both types of tenancy is two years, though this should only be in exceptional circumstances. Government guidance states the minimum term should be five years.

As a result of the Localism Act and the new funding model of Affordable Rent, there are now a range of tenancies on offer from social landlords. Local housing authorities may offer either a Secure or Flexible Tenancy at either social or Affordable rent. Housing associations may offer either an Assured or fixed term Assured Shorthold Tenancy at either social or Affordable rent.

Local housing authorities have a responsibility to provide a strategic lead on the use of tenure in social housing and to ensure that the way social housing is let supports the authority’s vision for the local area.

# Purpose of the strategy

This strategy has been created in response to the requirements of the Localism Act 2011, the purpose of changes introduced by this Act are to:

* Make the best use of housing stock
* Ensure those in greatest need are prioritised through the lettings policy
* Promote and incentivise work
* Provide greater flexibility and simplicity within the lettings process

In addition, the Regulator of Social Housing’s Tenancy Standard requires that registered providers offer tenancies that are compatible with the:

* Needs of the individual households
* Efficient use of the housing stock
* Purpose of the accommodation
* Sustainability of the community

The Tenancy Standard also requires that registered providers meet all applicable statutory and legal requirements in relation to the form and use of tenancy agreements or terms of occupation.

The Regulator of Social Housing has 6 specific expectations of registered providers in achieving the tenure outcomes in the Tenancy Standard:

1. Registered providers shall publish clear and accessible policies which outline their approach to tenancy management, including interventions to sustain tenancies and prevent unnecessary evictions, and tackling tenancy fraud, and set out:
   1. The type of tenancies they will grant
   2. Where they grant tenancies for a fixed term, the length of those terms
   3. The circumstances in which they will grant tenancies of a particular type
   4. Any exceptional circumstances in which they will grant fixed term tenancies for a term of less than five years in general needs housing following any probationary period
   5. The circumstances in which they may or may not grant another tenancy on the expiry of the fixed term, in the same property or in a different property
   6. The way in which a tenant or prospective tenant may appeal against or complain about the length of fixed term tenancy offered and the type of tenancy offered, and against a decision not to grant another tenancy on the expiry of the fixed term
   7. Their policy on taking into account the needs of those households who are vulnerable by reason of age, disability or illness, and households with children, including through the provision of tenancies which provide a reasonable degree of stability
   8. The advice and assistance they will give to tenants on finding alternative accommodation in the event that they decide not to grant another tenancy
   9. Their policy on granting discretionary succession rights, taking account of the needs of vulnerable household members
2. Registered providers must grant general needs tenants a periodic secure or assured (excluding periodic assured shorthold) tenancy, or a tenancy for a minimum fixed term of five years, or exceptionally, a tenancy for a minimum fixed term of no less than two years, in addition to any probationary tenancy period
3. Before a fixed term tenancy ends, registered providers shall provide notice in writing to the tenant stating either that they propose to grant another tenancy on the expiry of the existing fixed term or that they propose to end the tenancy
4. Where registered providers use probationary tenancies, these must be for a maximum of 12 months, or a maximum of 18 months where reasons for extending the probationary period have been given and where the tenant has the opportunity to request a review
5. Registered providers shall grant those who were social housing tenants on the day on which section 154 of the Localism Act 2011 comes into force, and have remained social housing tenants since that date, a tenancy with no less security where they choose to move to another social rented home, whether with the same or another landlord. (This requirement does not apply where tenants choose to move to accommodation let on Affordable Rent terms)
6. Registered providers shall grant tenants who have been moved into alternative accommodation during any redevelopment or other works a tenancy with no less security of tenure on their return to settled accommodation

The Council has a responsibility to provide a strategic lead on the use of social tenure and to ensure that the way social housing is let supports the authority’s vision for the local area.

The Council’s housing vision is:

“to ensure the population of Ashfield are living in or can access homes that are affordable, warm and within a safe community that promotes the health and wellbeing of residents”

As such, the aims of this strategy are:

* To ensure that social housing providers operating in Ashfield offer the most secure form of tenure compatible with the purpose of the accommodation, the needs of the individual households, the sustainability of the community, and the efficient use of their housing stock.
* To ensure that social housing providers operating in Ashfield support the Council in meeting its statutory obligations and vision for the District.
* To ensure that homes let at Affordable Rent remain affordable for low income households, either in or out of work, whilst enabling the supply of new properties in Ashfield.

This Strategy is principally concerned with tenure issues, however, it supports and overlaps with a number of other strategies and consideration has been given to those concerning homelessness, allocations, the Council’s tenancy policy and private sector enforcement in the development of this Strategy

# Fixed term tenancies

The Council expects that social housing providers operating in Ashfield will offer the most secure form of tenure compatible with the purpose of the accommodation, the needs of the individual households, the sustainability of the community, and the efficient use of their housing stock.

In particular, the Council expects that permanent tenancies will be granted to those households who are in need of settled accommodation and whose situation is unlikely to change, such as households containing older persons or people with a long-term medical, support or care needs.

The Council expects that wherever possible, tenants moving through a mutual exchange scheme will be able to enjoy the same security of tenure in their new property.

Fixed term tenancies should not be used in place of introductory or starter tenancies.

The Council only supports the use of fixed term tenancies in limited circumstances. This is because research has shown that people associate security of tenure with a settled and stable home, which is important for laying down roots and planning for the future, such as for those with children or vulnerable people.

Where social housing providers choose to grant fixed term tenancies, the Council encourages them to offer tenancies for longer than the five-year regulatory minimum, particularly where there are dependent children in the household.

The Council supports the use of fixed term tenancies in the following circumstances:

* Households where it is likely that the property will be under occupied within 5 years of the start of the tenancy (and therefore subject to Housing Benefit restrictions) i.e. families with teenagers/older children, merged & extended families
* Extreme cases of ASB where families are monitored throughout their tenancy
* Properties which are adapted for disabled use which it is likely the household will not require within 5 years of the start of the tenancy

Where fixed term tenancies are granted, the Council encourages social housing providers to operate with a presumption of renewal by issuing a new fixed term tenancy for a term at least equivalent to the current or previous fixed term, except where:

* The property is adapted and no one residing at the property requires the adaptation
* The tenant comes into legal ownership of another home or property
* Any breaches of tenancy or tenancy fraud are identified during the fixed term of the tenancy
* The tenant’s financial circumstances have significantly changed so that home ownership is affordable

The Council does not support registered providers allowing fixed term to run into insecure periodic tenancies.

It is recognised that a case by case approach will be required and social housing providers are encouraged to use their discretion to ensure the aims of this strategy are achieved.

Discretion may be exercised in the following cases, for example, if: someone in the household is terminally ill; the household includes children of school age; a household member is at university/in prison/in the armed forces; the property was under-occupied when the tenancy commenced; the tenants will grow into the property (i.e. a young couple or family); a range of occupation levels will contribute to balanced communities; retaining the household in the community for community balance or due to their community contribution; the move will significantly affect the household’s wellbeing (for example moving away from support). This is not an exhaustive list.

Where the conduct of the tenant is a factor for not renewing a fixed term tenancy, it is important that it is not used as an alternative to the usual tools available to address breaches of tenancy. The Council therefore would only support the decision not to renew a fixed term tenancy due to a tenant’s conduct where formal possession action is already underway or being considered. The ADC allocations policy criteria regarding unacceptable behaviour should be considered in these cases.

The Council prefers to see issues such as under-occupancy, overcrowding and unemployment addressed through investment in incentives and support to move, additional waiting list priority, support to enter employment and increasing the supply of affordable housing across all tenures. It is acknowledged that social housing is a scarce resource and should focus on those who need it most. However, the use of fixed term tenancies, over the long term, may undermine the sustainability of a community by increasing the transience and social exclusion of neighbourhoods, which in turn leads to the need for increased housing management resources. Additionally, the cost to administer tenancy reviews, to seek possession where households refuse to vacate and to re-let a property is likely to be significant. The Council believes this offers poor value for money and encourages social housing providers to instead make the above described investments to achieve the same outcomes.

The Council does not wish to see an increase in homelessness as a result of fixed term tenancies coming to an end, or to create churn between two insecure rental tenures, whereby social tenants refused a renewal of tenancy will be assisted into the private rented sector to make way for private rented sector tenant qualifying for an allocation of social housing. In addition, it is important that households are not pushed into unsustainable home ownership as they over-extend themselves to obtain secure housing or are disincentivised from improving their financial circumstances as this would result in their tenancy being ended.

Each social housing provider must put in place a Tenancy Policy which must have due regard to this strategy. See the section below for further information on what this policy must set out.

Summary of the Council’s position on tenancies:

* Social housing providers operating in Ashfield should offer the most secure form of tenure possible
* The Council only supports the use of fixed term tenancies in limited circumstances and to operate with a presumption of renewal
* The Council prefers to see issues such as under-occupancy, overcrowding and unemployment addressed through investment in incentives and support to move, additional waiting list priority, support to enter employment and increasing the supply of affordable housing across all tenures.
* Households should not be pushed into unsustainable home ownership as they over-extend themselves to obtain secure housing or be disincentivised from improving their financial circumstances as this would result in their tenancy being ended.
* The Council does not wish to see an increase in homelessness as a result of fixed term tenancies coming to an end, or to create churn between two insecure rental tenures
* Each social housing provider must put in place a Tenancy Policy which must have due regard to this strategy

# Affordable Rent

Social rent is still the preferred tenure for existing and new social housing in Ashfield, in particular for larger family housing, older persons’ housing and homes delivered through s.106 agreements.

The Council understands that providers may be under an obligation to deliver Affordable Rent housing as part of the funding agreement with Homes England, however, registered providers have the flexibility to set these rents at *up to* 80% of the market rent and as such the Council encourages registered provides to utilise this discretion to ensure developments are affordable.

The Council encourages providers to consider the average income of low income households in Ashfield when setting rents and to take steps when letting homes to ensure households will have sufficient funds for other essential expenditure after their housing costs. The Council does not wish to see households facing financial difficulties because their income is insufficient for their housing costs and other essential expenditure.

The Council also encourages registered providers to ensure that properties remain affordable for those subject to the benefit cap. In Ashfield, this has mainly affected households with 3 or more children. As such, Affordable Rent properties with 3 or more bedrooms may result in households being subject to the cap. Registered providers should consider the affordability of such properties when they are looking to develop or convert them for Affordable Rent.

Whilst there is no legal or other requirement that sums generated in Ashfield as a result of charging Affordable Rent will necessarily be used for reinvestment in Ashfield, the Council seeks commitment from providers that a reasonable level of locally based reinvestment will result.

The Council requests that providers have regard to the overall mix of properties in areas where they are looking to convert properties from social rent to Affordable Rent. The Council does not wish to see an area experience a disproportionately high level of conversions to ensure that existing social tenants are able to transfer to their area of choice at the same rent level.

Providers must discuss with the Council any plans to convert older person’s accommodation or properties that have been adapted to Affordable Rent

The Council expects that providers will discuss their Affordable Rent conversion policy with us and will provide information to the Council on a regular basis to monitor the number and location of Affordable Rent properties in the District.

The Council does not support conversions of social rent and shared ownership units which were delivered (or due to be delivered) through existing s106 agreements to Affordable Rent where the S106 agreement or other legal covenants state that the affordability/tenure of those units is to remain as social rent or shared ownership or where other similar legal restrictions apply.

The Council expects providers to seek our consent to convert existing social rent dwellings which have previously been developed using subsidy (grant and/or free/reduced land) only from the Council (e.g. with no additional public subsidy being forthcoming from Homes England). The Council may require either direct re-investment within the District or repayment of the subsidy.

The Council also expects providers to discuss plans to dispose of any existing social rent or Affordable Rent dwellings and where possible offer these to the Council for purchase.

Summary of the Council’s position on Affordable Rent

* Social rent is still the preferred tenure for existing and new social housing in Ashfield,
* The Council encourages providers to use their discretion to set Affordable Rents below 80% of the market rent to ensure developments are affordable
* The Council does not wish to see households facing financial difficulties because their income is insufficient for their housing costs and other essential expenditure.
* The Council also encourages registered providers to ensure that properties remain affordable for those subject to the benefit cap
* the Council seeks commitment from providers that a reasonable level of locally based reinvestment will result from charging Affordable Rent in the District
* The Council expects that providers will discuss their Affordable Rent conversion policy with us
* The Council does not wish to see an area experience a disproportionately high level of Affordable Rent conversions

# Mobility

The Council supports greater mobility in the social housing sector as a means of tackling under-occupancy, overcrowding and unemployment. The Council subscribes to an online mutual exchange scheme to enable mobility within the sector. The Council expects all registered providers operating in Ashfield to have signed up to a national mutual exchange scheme as required by the Regulator of Social Housing.

The Council expects that wherever possible, tenants moving through the scheme would be able to enjoy the same security of tenure and rent model in their new property. However, the Council also recognises that this will not be possible in all cases, particularly where voluntary moves are made to housing which has been designated as Affordable Rent as part of a contract with Homes England.

# RP tenancy policies

The Council expects that registered providers will have due regard to this strategy in developing their own Tenancy Policies and through this Policy will contribute to the Council’s vision for the district. The Council particularly expects that those registered providers seeking support from the Council regarding Section 106 Affordable Housing submissions, applications for grant funding from Homes England or making applications to the Council for grant funding will meet the requirements of this strategy.

The Council considers that the ‘reasonable advice and assistance’ that must be offered by registered providers to tenants on finding suitable alternative accommodation at the end of a fixed term tenancy should include:

* At least six months’ notice that the tenancy will not be renewed
* At least one home visit to the tenant
* Offers of alternative accommodation that meets their newly assessed need within the provider’s own stock;
* Advice on low-cost home ownership options and other alternative affordable housing tenures;
* Specialist housing and or welfare-related advice and/or signposting to appropriate advice services; and
* Advice on renting in the private rented sector and assistance in identifying and securing a suitable property (this may involve assistance with a deposit where necessary)
* Additional assistance for vulnerable households
* Notifying the Council’s Housing Options Team if the tenant is facing homelessness in 56 days

It is expected that Registered Providers will allow a tenant to remain in their property at the end of the tenancy until a suitable alternative has been found.

Registered providers must consult with the Council regarding new and revised tenancy policies and should respond to the Council’s requests for monitoring information.

# Consultation

Section 151 of the Localism Act 2011 requires that before adopting a Tenancy Strategy, or making a modification to it reflecting a major change of policy, a local authority must:

* Send a copy of the draft strategy, or proposed modification, to every private registered provider of social housing for its district, and
* Give the private registered provider a reasonable opportunity to comment on those proposals

A copy of the final draft of this strategy was issued to registered providers operating in the district in 2018, inviting them to make comments, no responses were received. As only minor amendments were made to this strategy in 2024, no further consultation was carried out.

# Monitoring and reviewing the strategy

The development and delivery of this strategy is overseen by the Strategic Housing Team. This monitoring will include:

* The use of fixed term tenancies in the district and any negative impact
* The use of the PRS to prevent and relieve homelessness and the sustainability of these tenancies
* Changing market conditions and their likely impact upon the demand for affordable housing now and in the future, such as housing need, affordability, homelessness, affordable housing completions, rent levels and welfare reforms.
* Number of Affordable Rent homes created, including conversions
* Bidding activity for fixed term and/or Affordable Rent properties
* The impact of this strategy on viability of new build sites
* The extent to which providers’ tenancy policies reflect this strategy