

## **Draft Tower Hamlets Tenancy Strategy**

Tower Hamlets' Tenancy Strategy seeks to ensure that the Council and Registered Housing Providers work effectively in partnership to meet the Council's strategic housing priorities.

The strategy is set out under four headings which are the high-level matters to which Registered Providers must have **due regard** to under the Localism Act in formulating their tenancy policies

1. The kinds of tenancies they grant,
2. The circumstances in which they will grant a tenancy of a particular kind,
3. Where they grant a tenancy of a certain term, the lengths of the term, and,
4. The circumstances in which they will grant a further tenancy on the coming to an end of an existing fixed-term tenancy.

In addition, the tenancy strategy sets out advice in three further areas:

5. The expectations the Council has in term of advice and support to tenants where a further tenancy is not granted
6. The Council's policy on affordable rents
7. Monitoring and review of the tenancy strategy.

### **1. The kinds of tenancies granted by Registered Providers in Tower Hamlets**

#### **1.1 Tower Hamlets Homes**

It will be standard practice that social rented homes in Tower Hamlets let by the Council's Arms Length Management Organisation, Tower Hamlets Homes should continue to be let on lifetime secure tenancies except where it is clear that a property will only be required by a tenant in the short term (see 2.1 below). All new Tower Hamlets Homes tenancies will continue to be subject to the one-year probationary period under the Council's probationary tenancy scheme.

#### **1.2 Other Registered Providers**

The Council's preference is for other Registered Providers including those set up under the Council's Housing Choice and previous stock transfers programme and regional/national partners to offer lifetime assured tenancies.

#### **1.3 Other types of tenancies**

**Introductory or starter tenancies:** Registered Providers can also use introductory or starter tenancies (in combination with either lifetime or where adopted, fixed-term tenancies) as part of their own agreed

tenancy policies and in accordance with government guidance and regulations.

1.4 **Short-term accommodation:** This tenancy strategy does not apply to tenancy / license arrangements for specific housing used as short-term accommodation is used to meet supported housing needs, and temporary accommodation provided to homeless applicants.

## 2.0 **The circumstances in which Registered Providers offer different types of tenancy**

### 2.1 **Tower Hamlets Homes**

The Council will make provision for the discretionary use of fixed term tenancies in the circumstances set out below by Tower Hamlets Homes. These will only be used in cases where it is clear that the property will only be required in the short term and where a lifetime tenancy would not be appropriate. In these cases, a flexible or fixed term tenancy will be used. The express terms of the tenancy will be set out in the notice that must be served on the tenant, informing them that the tenancy is to be fixed term. The terms should mirror those of a secure tenancy except where the legislation states otherwise e.g. succession rights. What should be granted is a form of secure tenancy but one that is limited in time. Any use of such tenancies will be expected to be subject to approval and monitoring by senior management.

The only circumstances where the clause could be used would be in order to alleviate a situation where a tenant has a terminal illness and requires a property on shorter term basis with additional care.

When deciding whether to end fixed term tenancies in these circumstances Tower Hamlets Homes will be required to ensure that the following best practice be applied:

- that clear advice and information is given at the outset of a fixed-term tenancy on the process for granting a new one;
- what criteria is used when deciding whether a further tenancy should be granted at the end of a fixed-term, and
- when considering the actions to be taken where it is decided not to grant a further tenancy, to ensure that tenants affected are able to secure suitable alternative accommodation.

Tower Hamlets Homes will:

- Contact all tenants at least nine months before the end of their fixed term tenancies and give them notice of their intended review

- In line with Section 107D of the Localism Act give tenant six months' notice of their intention not to grant a new tenancy at the end of a fixed-term,
- at the point of giving notice or earlier, discuss alternative housing options with the tenant,
- put in place a bespoke individual plan for advising and/or assisting the tenant to secure suitable alternative housing,
- give clear details to the tenant about how to appeal against a decision not to grant a new tenancy.

## 2.2 Other Registered Providers

The Council recognises that Registered Providers may wish to introduce fixed-term tenancies in some circumstances in order to manage their own stock efficiently and in line with local priorities and to assist in the delivery of the Mayor of London's affordable housing programme.

Where this is the case, we ask that each Registered Provider provide the Council with a copy of its policy, setting out the type of fixed-term tenancies it will use and for the length of the term. We expect Registered Providers to have due regard to the conditions for use of fixed term tenancies set out below. We will expect Registered Providers to participate in a review of the strategy and the impact on lettings patterns in the borough.

## 3.0 The length of tenancy terms

3.1 In those cases where Registered Providers offer fixed-term tenancies, the term should be for a minimum length of five years. However, decisions on the length of tenancy should take particular account of the longer term needs of the following groups who should be given either lifetime or longer term tenancies.

- **People with long-term illness or disability**

Tenants with long-term illness or disabilities who have been rehoused with either adaptations or specific local support packages should be given lifetime tenancies.

- **Households with children**

Households where children under the age of 10 years of age are very unlikely to require rehousing to a smaller property within 5 years of being rehoused. Registered Providers should consider granting a fixed term tenancy of at least 10 or possibly 15 years in these circumstances to enable parents to make a commitment to local education and community services.

- **Older People**

Older people without dependents who are rehoused into a home which is ordinarily expected to meet their needs for the rest of their life should be offered lifetime tenancies.

- **Transferring secure tenants**

Secure tenants who transfer in order to meet their housing needs should always be offered a lifetime tenancy as required under the Localism Act. Transfers could include those facilitated through the Housing Moves and the Seaside and Country Homes schemes for the over 60's age group.

#### **4.0 The circumstances in which a further tenancy will be granted**

- 4.1 The Council's expectation is that a new tenancy would be normally be granted at the end of a fixed-term to the property they already live in unless the tenant's circumstances have changed in line with the Registered Provider's own tenancy policy.
- 4.2 A further tenancy should always be offered where the household circumstances in terms of size of the property required and housing need of the tenants have not changed.
- 4.3 The Council does not support the ending of fixed term tenancies where the tenant is not in breach of their tenancy agreement. In those situations where a fixed term tenancy is to be terminated and the property recovered, this should only be achieved through obtaining a court order, having first given the tenant the opportunity to have the decision to terminate the tenancy reviewed.
- 4.4 The Council does not support using income criteria by Registered Providers. In deciding whether a further tenancy will be granted. The Council is of the view that tenants should be encouraged to seek employment and improve their financial circumstances.

Where a Registered Provider uses income criteria to inform a decision on whether to grant a further tenancy, clear and unambiguous criteria should be applied. It should be noted that those tenants who are rehoused through the Tower Hamlets Common Housing Register are not subject to an income check, so when renewing fixed term tenancies, Registered Providers will not have a base income level from the start of the tenancy to compare with if they do apply an income cap as part of any policy.

- 4.5 Where there has been a change in circumstances which could give consideration to a tenancy not being renewed, the Registered Provider should also take into account individual households employment or voluntary sector contributions. If such contributions or benefits would be undermined by a tenancy not being renewed, the Registered Provider

should give due consideration to extending the fixed term of the tenancy.

4.6 Where a further tenancy is granted, the Council expects the Registered Provider to continue with the rent formula agreed at the time of the original letting and to not rebase the rent formula in line with the housing market (see 6.4 below).

## **5.0 Advice and support to tenants where a further tenancy is not granted**

5.1 Registered Providers should work with the council to ensure that the following best practice be applied:

- that clear advice and information is given at the outset of a fixed-term tenancy on the process for granting a new one;
- what criteria is used when deciding whether a further tenancy should be granted at the end of a fixed-term, and
- when considering the actions to be taken where it is decided not to grant a further tenancy, to ensure that tenants affected are able to secure suitable alternative accommodation.

5.2 Our expectation is that Registered Providers will in line with the requirements of the Localism Act:

- Contact all tenants at least nine months before the end of their fixed term tenancies and give them notice of their intended review
- In line with Section 107D of the Localism Act give tenant six months' notice of their intention not to grant a new tenancy at the end of a fixed-term,
- at the point of giving notice or earlier, discuss alternative housing options with the tenant,
- put in place a bespoke individual plan for advising and/or assisting the tenant to secure suitable alternative housing,
- give clear details to the tenant about how to appeal against a decision not to grant a new tenancy.

5.3 The Council would expect the tenant to be assisted in their rehousing either into an appropriate property in their own housing stock or into the private sector through either renting, shared ownership or outright ownership where the tenant can afford to make this choice.

5.4 The Council expects the rehousing to take place without any burden on the Council and for the property to be let to a household whose need can be met effectively.

5.5 Where a decision is taken not to grant a new tenancy at the end of a fixed term this should not result in the risk of a former tenant potentially being treated as statutorily homeless It is particularly important that

families with children do not become homeless as the result of such a decision, to avoid disruptive changes to their lives and the possible making of a homeless application.

## **6.0 Affordable Rent**

6.1 Alongside the Localism Act, the Government has introduced a framework for delivering new affordable housing. The GLA has agreed a new Affordable Homes Programme to deliver new housing over the Comprehensive Spending Review period, ending in 2015. As part of the revised grant arrangements, Registered Providers will be able to charge affordable rents, up to 80% of local market levels on both new properties together with a proportion of re-let properties through a contractual agreement with the GLA.

6.2 The Council has carried out research and developed guidance on what it considers an acceptable level for affordable rents. The table below provides an indication of what acceptable affordable rent levels are likely to be for the borough as a whole. This has been informed by the research carried out by POD (2011) and updated in 2012 which takes account of local socio-economic circumstances. In practice, each scheme will need to apply rent levels which reflect the particular local housing market of that area and the needs of the borough. These rent levels will need to be agreed with the Council as part of the development management process.

1 bed	65%
2 bed	55%
3 bed	50%
4 bed	50%

6.3 The Council will support new housing development proposals, which include affordable rent homes only where the provision of social rent homes has been maximised, specifically for larger family homes. This approach enables the housing needs of the borough to be met - as identified in the Strategic Housing Market Assessment. These indicative rent levels will be kept under review to ensure they are affordable and relevant.

6.4 In addition, once the property has been let it is subject to the national formula on rent increases for the lifetime of that tenancy. However, once a tenancy ends and the property is to be relet, the rent can be 'rebased' at the market rent at the point where the tenancy is renewed. Where a Registered Provider agrees to renew a fixed term tenancy the Council will expect the Registered Provider not to re-base rents at the end of their first fixed term tenancy, but instead commit to the social rent-setting formula in place at the time of the original letting.

## **7.0 Monitoring and review of the tenancy strategy**

- 7.1 The Council will monitor the impact of the Tenancy Strategy on lettings behaviour and patterns through the Tower Hamlets Housing Forum. If the Tenancy strategy is considered to be having a negative impact in meeting the Council's strategic priorities it will be subject to a formal review under the terms set out in section 150 of the Localism Act.

**8.0 Availability of Registered Providers tenancy strategies**

- 8.1 The Council will seek to publish the tenancy strategies of all Registered Providers operating in Tower Hamlets will be available on Tower Hamlets Council web pages