



# Tenancy Policy

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## **Tenancy Policy**

### **1. Introduction and Aims**

1.1 At Red Kite, we offer our customers a range of housing options so they can live in good quality homes in communities where there is a sense of belonging and pride. We recognise that they have a range of circumstances, including different tenure aspirations, varying income levels and a variety of health and social needs. This is against a backdrop of welfare reform and austerity, where the Government's changes – to rent levels, planning, funding, the nature of tenancies, Right to Buy and regulation – mean that social housing now has to operate with a whole new set of rules. This less hospitable environment, coupled with the shortage of housing in our locality, requires an innovative response from us. No single type of home or tenure can provide the solution to addressing the complex environment that we operate in. In response, we will offer our existing and future customers imaginative and flexible housing choices that meet their requirements at different times in their lives.

1.2 Our Tenancy Policy aims are:

- To recognise our customers' needs and aspirations through offering a range of housing choices
- To make best use of our homes
- To enable mobility
- To support tenancy sustainment
- To outline our approach to tenancy fraud

### **2. Background and Scope**

2.1 The Localism Act 2011 (Section 150) requires that “a Local Authority (LA) in England must prepare and publish a strategy (a “tenancy strategy”) setting out the matters to which the registered providers (RPs) of social housing for its district are to have regard in formulating policies”.

2.2 The Regulatory Framework for Social Housing in England (from April 2015) sets out its expectations of registered providers. The standards relate to providers being viable, properly governed and properly managed. In relation to the Tenancy Standard, registered providers are required to “co-operate with local authorities' strategic housing function, and their duties to meet identified local housing needs.” Social landlords are expected to publish a tenancy policy as follows: “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”.



2.3 In accordance with the above, we have had regard to the Buckinghamshire Tenancy Strategy (January 2013) which was developed in consultation with local registered providers and outlines the expectations of the Local Authorities in relation to tenancies, development, affordable rent and allocation of tenancies. We have also taken account of Wycombe District Council's Homelessness Strategy 2014-2019.

2.4 The above mentioned Tenancy Strategy was reviewed recently in 2014 by the Bucks Tenancy Partnership and it was agreed that it did not need any changes, although a further review will be carried out in 2018 when the first fixed term tenancies are due to end, and will also be considered at the end of 2016 to establish the impact if any of Universal Credit.

2.5 This policy has also taken account of the July 2015 Budget announcements and the Housing Bill 2015-16, in which the Government has stated that it will seek to limit the use of lifetime tenancies and will review security of tenure. The Budget document said: 'The government will review the use of lifetime tenancies in social housing to limit their use and ensure that households are offered tenancies that match their needs, and ensure the best use is made of the social housing stock.'

2.6 In addition, in October 2015, it was confirmed that plans to make all tenants living in social rented properties with household incomes of more than £30,000 (£40,000 in London) pay market rent would be voluntary, although housing associations will be able to set higher levels of rents for those high-income tenants, and they will be able to set the level of rents for these households.

2.7 This policy includes:

- References and links to our other strategies and policies
- Our approach to tenancy management, which has four themes – to meet our customers' needs, to make best use of our homes including enabling mobility, to support tenancy sustainment and to prevent and tackle tenancy fraud
- The types of tenancies that we will offer, what types of rent these may attract and the circumstances in which tenancies will be granted
- The length of tenancies granted and the process for reviewing them
- How frequently the policy will be reviewed.

### **3.0 Links to other strategies and policies**

3.1 This policy links to other strategies and policies, including our:

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- Asset Management Strategy
- Development Strategy
- Allocations Policy
- Older People's Strategy
- Vulnerable Tenants' Policy (draft)
- Inclusion and Well-being Strategy
- Tenancy Changes Policy
- Equalities and Diversity
- Anti Social Behaviour Policy
- Adaptations Policy
- Service Charges Policy

#### **4.0 Our Approach to Tenancy Management**

**4.1 Theme One: We offer our customers a range of housing options.** This includes different types and sizes of accommodation, different tenancy types, different rents, as well as leasehold and home ownership options.

4.2 All of our new and existing homes will be allocated in line with the rules of the district's allocations policy (which is currently the countywide Bucks Home Choice), relevant nominations agreement with Wycombe District Council, and our own Allocations Policy.

4.3 We will also have local lettings policies in place (as permitted by Section 167(2E) of the 1996 Housing Act) which enable us to allocate particular accommodation to people of a particular description, whether or not they fall within the reasonable preference categories. Local lettings policies may be used by us to achieve a wide variety of housing policy objectives.

Although we would not dictate the demographic of an area, we may decide to offer to a particular group to help build sustainable communities or assist a vulnerable group. For example, we may choose to set aside a proportion of vacancies for applicants who are in employment, a particular age group or who have been in the armed forces. Where we adopt a local lettings policy, we will state clearly its justification. When a property that is affected by a local lettings policy is advertised, the advertisement will state which applicants will be eligible to express an interest in that property. Our local lettings policies will be published on the Bucks Home Choice website and will also be available by request.



4.4 Types of Tenancies: We provide our tenants with a range of different tenancies, depending on the nature of the home and the household, as described further in [Appendix 1](#).

These include:

- Transferring Tenants' Assured Tenancies
- Assured Tenancies
- Starter Tenancies
- Equitable Tenancies
- Assured Shorthold Tenancy
- Demoted tenancies
- Temporary Accommodation [section 209 (2) Housing Act 1996]
- Fixed Term tenancies

#### 4.5 Fixed Term Tenancies

The government introduced fixed term tenancies through the passing of the Localism Act 2011 and by making changes to the regulatory framework for social housing. This removed the requirement that social landlords should offer the most secure form of tenancy compatible with the purpose of the housing and the sustainability of the community.

Fixed term tenancies allow us to:

- Meet our customers' needs and aspirations by encouraging tenants to move between properties and sectors as their housing need changes e.g. exploring other housing options like low-cost home ownership or the private rented sector.
- Make best use of our homes by ensuring our homes meet the needs of the customer, for example by addressing under-occupation of larger family homes or taking account of homes that have had substantial adaptations carried out.
- Provide a reasonable degree of stability and support tenancy sustainment. Fixed term tenancies will normally be for five year periods, and we will use the review process to help our tenants to develop the right skills they need to successfully manage a tenancy. Although five years is the review period, most tenancies will be expected to be renewed at this stage.

4.6 For new tenants, we will be offering fixed term tenancies for new lettings from April 2016. In most circumstances we will offer these for a period of five years, which will follow a one year introductory tenancy (therefore the total period will



be six years). This will meet the expectation in Buckinghamshire's Tenancy Strategy. Fixed term tenancies will also apply to new sheltered housing tenants.

- 4.7 In some situations shorter tenancies may be offered, for example where a tenant has a history of anti-social behaviour or is in need of support. In such circumstances, we would encourage the individual to engage with support services to give them the best opportunity to sustain their tenancy. Shorter tenancies will only be offered as exceptions, and each case will be considered on an individual basis.

The following table gives some examples of the exceptional circumstances in which a fixed term tenancy may be offered or renewed for two years rather than five; it is not exhaustive.

<b>Exceptional circumstances</b>	<b>Length of tenancy</b>
If the property has been identified as particularly suitable for purchase as part of portable discounts under the Voluntary Right to Buy (for example, within a block that already has a large proportion of leaseholders)	2 years
If the property has been identified as having a high value, and therefore has the potential to be particularly suitable for sale in the private market	2 years
If the property is identified as particularly suitable for disposal	2 years
If an introductory tenancy has been extended due to anti social behaviour	2 years
In a specific location/geographical area where shorter tenancies could help to tackle anti social behaviour	2 years
Where a Notice of Seeking Possession has been issued due to rent arrears and the Court has accepted a payment agreement which the tenant has kept to but there are still arrears	2 years
Where there is a need for support, for example for someone with high needs, that is likely to cause difficulties in sustaining a tenancy	2 years
Where a property may require extensive works, or be needed for future development purposes	2 years
Where a property already has significant adaptations and the tenant or their household may not require these in the long-term (see below)	2 years
If a household is overcrowded or is under-occupying at the time of the review, but no suitable alternative home has been secured (see below)	2 years



- 4.8 In circumstances where the issue is that the tenant's accommodation is not a suitable size or has significant adaptations that are no longer required, a fixed term tenancy can be renewed, providing we are confident the household are making reasonable efforts to find a more appropriate home. The review period will enable us to ensure we offer advice on their housing options and provide assistance where required, rather than leaving the family in unsuitable accommodation. It will also help us to monitor demand for housing of a particular size or type.
- 4.9 We will continue to offer Assured Periodic tenancies to those who move with an existing Assured Periodic Tenancy, for example, to facilitate an under-occupation transfer, a management move or a mutual exchange, or when they have been moved to an alternative home during a redevelopment process and then return to their new permanent home. We will therefore ensure that those who were our social housing tenants on 15<sup>th</sup> January 2012, being the day on which section 154 of the Localism Act 2011 came into force, and have remained social housing tenants since that date, are granted a tenancy with us for no less security when they choose to move to another social rented home with us (unless it is accommodation let on Affordable Rent terms).
- 4.10 We will provide full information on fixed-term tenancies and rent levels so they can be clearly advertised on the countywide choice based lettings system, which is currently Bucks Home Choice.
- 4.11 Details of the review process for fixed term tenancies are in [Appendix 2](#). If a fixed-term 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.
- 4.12 If, after reviewing the end of the fixed tenancy period, the tenancy is not to be renewed, detailed advice will be offered to the tenant to help them explore the available housing options and to establish the best solutions for them. We will also ensure that the relevant local authority is given at least six months' notice of the expiry of the tenant's fixed-term tenancy and will work with them to provide the necessary advice and assistance to prevent the tenant becoming homeless on the expiry of the notice.
- 4.13 Tenants who are not offered another fixed-term tenancy in the same home will have the right to appeal this decision. The appeal will be heard by a panel whose members were not involved in the previous decision and as soon as is practical, thus once any information has been received and as soon as the panel can be convened. Such appeals, unless in exceptional circumstances,



should therefore normally be held within fifteen working days. We would not progress with possession action if an appeal was in progress.

## **5.0 Rent, Sanctions and Incentives**

5.1 We will comply fully with the HCA regulatory framework for social housing's rent standard guidance. We will offer customers a property with either a 'social rent' (target rent flexible in line with national formula) or an 'Affordable rent' (up to 80% of full market rent, with reference to the Local Housing Allowance), and, in the future, we may also consider charging higher rents where circumstances and regulation permit.

5.2 The use of Affordable rent will help ensure we can continue to provide new affordable homes to respond to housing need in our communities. This will be linked to the individual affordable housing policy advice contained within the Supplementary Planning Document for Wycombe District Council. When building new homes, we may consider having homes that are a mix of rent types so that a balance is created within our communities.

5.3 We may also consider developing market rent homes in the future to meet the needs of those who are not eligible for affordable housing, wish to rent privately and can afford higher rents. While we would prioritise local people, this will be an income generating activity, so we will need a wide remit as to who we will let to.

5.4 In order to take account of our customers' changing circumstances, we will look to develop a range of tenancy and rent options that are flexible and allow our tenants to move in and out of different arrangements to maximise our income and reflect their individual situations. For example, at the end of a fixed term tenancy, the rent may be reviewed. It may be appropriate for a household on social rent to be offered a new tenancy at an Affordable rent, and for those properties already let at an Affordable rent to be re-assessed against the current market levels.

5.5 In addition, we will take account of the new plans announced in July 2015's Budget to consider whether to charge market rent for tenants living in social rented properties with household incomes of more than £30,000, dubbed 'pay to stay'. In deciding our approach to this, we will consider any impact on our charitable status and on our ethos and values; for example, whether this may act as a disincentive for some household members to work, or reduce the ability of non-dependents to save and provide for their own housing.

5.6 We will also consider interventions to influence tenant behaviour, such as disincentives/sanctions to penalise those who do not keep to their tenancy conditions (e.g. financial penalties for untidy gardens) or incentives, for example

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to encourage our customers to pay their rent on time or contribute to their community.

## **6.0 Home Ownership**

6.1 As well as homes to purchase through the existing Right to Buy and Right to Acquire, we offer shared ownership properties, which make it possible for customers to buy a property which otherwise would not have been affordable. These are on a part buy/part rent scheme, whereby customers buy a share in the property and pay rent on the share that Red Kite continues to own. Shared ownership is designed as a stepping stone for first time buyers, allowing them to buy further shares in their home when they can afford to. We also offer leasehold options, such as retirement homes for sale, and this may be something we look to develop further.

6.2 In the future, we will consider building homes for outright sale on the open market, and will look at options that would give those who are currently our tenants more choices to help them move out of social housing onto the home-owning ladder. For example, we already offer leasehold options where our customers purchase a proportion of the property and we retain a smaller percentage.

6.3 While our aim is to keep our homes for local people to live in rather than to provide properties that are seen as an investment opportunity, we realise that we cannot rule this possibility out if we are looking at commercial sales. We will therefore advertise properties before completion to existing tenants so that they get the first opportunity of buying a new home. After an agreed period, we will open up advertising to local estate agents, and then will advertise via online channels. All prospective purchasers will have to go through an application process and have financial checks completed; priority will be given to those who can afford the properties and who can move within a set timescale.

6.4 We will take account of the Government's proposals to implement the 'Right To Buy' on a voluntary basis, as outlined in the Housing and Planning Bill 2015-16, should this become a regulatory obligation. We are aware that home ownership is moving beyond the reach of an ever increasing section of our community, and that there are many different shades of housing need. Meeting this housing need will require different solutions if we are to help those that the sector has not traditionally housed before. However, our core area remains truly affordable housing at rents that low-income households can afford.

## **7.0 Theme Two: We make best use of our homes.**

7.1 We know there is a significant shortage of affordable homes in our locality, and therefore it is critical that we make best use of our resources.

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Examples of where we do this are:

- Our Adaptations Policy ensures we make good use of homes that are accessible or have had adaptations carried out by prioritising these for people who have mobility needs
- We have reviewed our sheltered housing to make sure it is fit for purpose for the long-term
- We carry out decants in an efficient but sensitive way
- We give advice on welfare reform, such as the spare room subsidy, and support tenants to downsize via the transfer list
- Overcrowding is dealt with through the transfer list and a banding system that prioritises need
- We have a rigorous approach to tenancy fraud, as detailed further below.

**7.2 Mobility:** As part of meeting our customers' needs, and also making best use of our homes, we enable mobility by encouraging tenants to move between homes and also the social and private sectors as their housing needs change.

Examples of where we do this are:

- Subscribing to an online mutual exchange service allowing tenants to register an interest without a fee (currently Homeswapper and also [swapandmove.co.uk](http://swapandmove.co.uk))
- Providing homes not just for rent but for different ownership options
- Providing a home budgeting function to assist with reviewing income and expenditure against housing options and reviewing this as customer circumstances change.

**7.3 Tenancy Changes:** We make best use of our homes by dealing fairly and consistently with tenancy changes in accordance with our Tenancy Changes Policy, which includes managing successions and assignments. We provide a clear and transparent way in which tenants are able to make changes to their tenancy, in line with relevant legislation. We ensure that the person who requests the change understands their obligations, that they qualify for the change requested and that they will be a suitable tenant. To determine the suitability of a non-tenant who will become a tenant if the change is agreed, there is an application process, and we may carry out checks on that individual, requesting evidence and verification where necessary.



7.4 In considering applications for changes, we will consider the best use of homes, as well as take into account the circumstances of the customer such as any vulnerabilities. For further details, see the Tenancy Changes Policy and related procedures.

**8.0 Theme Three: We help our customers keep to their tenancy conditions.**

8.1 We take a risk based approach to focus our resources where they are most needed, and to help prevent the failure of tenancies. We offer pre and current tenancy awareness courses which help our tenants develop the right skills to successfully manage a tenancy. We will enforce tenancy conditions, but in doing so will take into consideration any special circumstances such as vulnerabilities in a household.

8.2 For all new tenants, an affordability check is carried out. This is based on the customer's income and expenditure and ensures the prospective tenant is clear about the costs of running a home and sustaining their tenancy. If their circumstances are such that, even after working with them directly and referring to appropriate agencies, we cannot find a way to make the proposed home affordable, then we would not offer the property. If the customer feels we have been unreasonable in our assessment, they would have recourse to our Feedback and Complaints Process.

8.3 **Home Audits:** We carry out programmed and ad hoc home audits with the intention of visiting each home at least once in every five years. These visits allow us to:

- Identify any support needs which a tenant may have
- Update our records with any changes to a household's circumstances
- Arrange repairs that are our responsibility which have not been reported
- Signpost the customer to other services as appropriate
- Identify any possibilities of tenancy fraud.

Home audits are carried out on a risk basis; if there are issues we will visit more often. In addition, every tenant with a gas supply is visited each year for their gas service which means there is an annual opportunity to pick up any obvious issues.

8.4 For more details on other interventions that we use to sustain tenancies and prevent homelessness, please see our Inclusion and Well-being Strategy, and also our Vulnerable Tenants' Policy.

**9.0 Theme Four: We prevent and tackle tenancy fraud.**



9.1 Tenancy fraud is a breach of tenancy conditions and can be dealt with as both a civil and a criminal matter. The Prevention of Social Housing Fraud Act 2013 created two new criminal offences for tenants who unlawfully or knowingly sub-let or part with possession of their social rented home. The Act gives power to prosecute for this new offence to local authorities. Local authorities may prosecute on behalf of social housing providers, both in their area and from other local authority areas.

9.2 Appendix 3 gives examples of tenancy fraud and explains our approach to tackling this.

9.3 To ensure we have a robust approach in place, we will:

- Provide staff training – training in tenancy fraud awareness, investigation and enforcement will be provided periodically to raise knowledge and skill levels in dealing with these issues.
- Partnership – we will work in partnership to tackle reports of tenancy fraud with other agencies including the local authority.
- Communication – where appropriate, we will publicise successful enforcement of cases of tenancy fraud.
- Performance – we will look at ways to continually improve our performance on identifying and tackling tenancy fraud.

## **10.0 Conclusion and Review**

10.1 At Red Kite, we offer tenancies that fit with our ethos and purpose as a social landlord. We aim to meet our customers' needs and aspirations, to facilitate mobility between our homes and other sectors, to make best use of our homes and to support tenancy sustainment. And, with all the above, we are open to new and innovative approaches that assist with developing different options and choices, while ensuring our core area remains truly affordable housing at rents that low-income households can afford.

10.2 This policy will be reviewed every three years unless there is a change of legislation which necessitates an earlier review.

10.3 The monitoring and review of this policy will be the responsibility of the Head of Experience and the Head of Relationships.

Appendix 1: Type of tenancies

Appendix 2: Review process for Fixed Term Tenancies

Appendix 3: Tenancy fraud