

Appendix 2 – Proposals for Changes to the Tenancy Strategy

Tenure length and renewal of fixed term tenancies

Proposal

Currently, the Tenancy Strategy states the Council's policy on lifetime tenancies. The proposal is to use flexibilities in the Housing and Planning Act to maximise family/community stability, whilst enabling higher income tenants to move on at tenancy renewal stage to take up low cost home ownership or other intermediate housing options and requiring under-occupiers to move to smaller accommodation, thereby releasing rented homes for re-letting,

1. The Act requires that most new Local Authority tenancies are granted for fixed terms of between 2 and 10 years (subject to forthcoming regulations), although Local Authorities can grant households containing a child under the age of 9 a longer tenancy, which will last until the child reaches the age of 19. The Council's new proposed policy will be to grant the longest fixed term tenancy (permissible under the regulations in individual cases) up to maximum 10 years duration, following an introductory tenancy, except where a longer tenancy can be granted to a household containing a child under the age of 9.
2. The Act requires that before the end of a fixed term, landlords will have to conduct a review to decide between 3 options:
Option 1 - grant new tenancy on same property
Option 2 – grant new tenancy on another property
Option 3 – seek possession

The Council's new proposed policy will be to normally grant a new tenancy on the same property (option 1). In some circumstances, a review will be triggered where:

- (a) the household's gross annual income exceeds either the Pay to Stay threshold (currently set at £40,000) or those income thresholds that may be defined in the Allocations Policy (subject to consultation), in which case the household may be advised and supported in finding alternative accommodation (Option 3)
- (b) the household is under-occupying, in which case the household may be granted a new tenancy of another smaller property (Option 2).
- (c) there are tenancy management issues.

In these cases, relevant personal circumstances will be taken into account. Under the Act a decision not to renew a tenancy is subject to a review (appeal) process.

Reason

1. To comply with Housing and Planning Act 2016 but operate in line with the Housing Strategy by offering the longest fixed term tenancies possible, in order to maximise stability for families and communities.
2. To be consistent with proposed Allocations Scheme changes on income thresholds, and the 'Pay to Stay' threshold
3. To free up rented units and make best use of our stock, where households can afford alternative options or move to smaller properties.
4. To align with the draft Intermediate Housing Policy, which prioritises households for 'low cost' shared ownership. The minimum income for purchasing a shared ownership home, or renting an Intermediate rented property will be set for each scheme, depending upon the overall costs.

Impact

Tenure length and renewal of fixed term tenancies
<ol style="list-style-type: none">1. New tenants will not benefit from lifetime tenancies, but will benefit from the maximum length of tenancy available under the Act.2. Lifetime tenancies are retained for existing tenants – however succession rights are affected3. Fixed term tenants with higher incomes may not be granted a new tenancy at renewal stage, but will be advised/supported in finding alternative accommodation.4. Fixed term tenants who are under-occupying may only be granted a new smaller home at renewal stage.5. Households on the Housing Register may benefit from greater access to re-lets released by 3 and 4 above