

Tenancy Strategy





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Introduction

This strategy has been compiled in response to the requirements set out in the Localism Act (Localism Act, 2011). When developing the strategy we were pleased to involve residents, Registered Providers and other stakeholders to check our proposals and consider options that may be suitable in Gloucester concerning the way affordable housing tenancies are accessed or managed.

Due to the technical nature of some of the content of this strategy and the variations in tenancy types being discussed, a glossary has been included at the end of the document to assist in distinguishing between the various options available.

Format of this document

Our Tenancy Strategy is set out in two sections. The first section provides the basis for the introduction of the Tenancy Strategy and the context in Gloucester around which the requirements for the strategy have been developed. The second section sets out our objectives for the Tenancy Strategy and the requirements for affordable housing tenancies in Gloucester, and how they may be applied.



Section I

Tenancy Strategy requirements

The Localism Act has placed a duty on local authorities to produce a Tenancy Strategy, which sets out the matters to which the Registered Providers of social housing in the district are to have regard to in formulating their own Tenancy Policies. These are :-

- I. The kind of tenancies they grant
- II. The circumstances in which they will grant a tenancy of a particular kind
- III. Where they grant tenancies for a certain term, the lengths of term; and
- IV. The circumstances in which they will grant a further tenancy with the ending of an existing tenancy

This strategy seeks to address the Government objectives for tenure reform and relate them to circumstances here in Gloucester. Those objectives are to: -

- I. Make better use of social and affordable housing to more effectively address housing need
- II. A better use of social and affordable housing to reduce cost
- III. Increased local and customer accountability for the use of social and affordable housing
- IV. A better use of social and affordable housing to contribute to sustainable community outcomes

The Localism Act 2011 also brought about a revised Regulatory Framework and **Tenancy Standard** (Homes and Communities Agency, 2012) which states that Registered Providers shall let their homes in a fair, transparent and efficient way. They shall take into account the housing needs and aspirations of tenants and potential tenants. Registered Providers shall demonstrate how their lettings:

- Make the best use of available housing
- Are compatible with the purpose and the nature of the housing offered
- Contribute to the local authorities' strategic housing function and sustainable communities

As outlined in the revised Tenancy Standard, there isn't an absolute requirement or expectation that fixed-term tenancies are used; indeed, the standard is explicit that Registered Providers may continue to use assured tenancies if they prefer.

Details of Registered Provider's Tenancy Policies can be found on the Housing pages of the City Council website.



Gloucester Context

The Gloucester Partnership, a partnership of public, private and voluntary sector partners, have redefined the vision for Gloucester. This is based on over 1100 conversations with residents during an extensive three month conversation, covering every ward of the City. It was decided the vision for Gloucester would be:

“Gloucester will be a flourishing, modern and ambitious City, which residents can enjoy”.

Within the City Vision (2012-2022), tackling housing need is a key priority under the Prosperity element of the document.

As a Local Authority, we realise there is a serious challenge related to the high demand for affordable housing and the varied circumstances here in the City. We would expect, and the Localism Act 2011 requires, Registered Providers to **have due regard**, when undertaking financial modelling within their organisations, to the requirements of our strategy and how that relates to the way they offer tenancies. This should be for both new and existing homes here in the City and to consider carefully any disposals they would wish to make.

Council Plan

Our Council Plan (Gloucester City Council, 2012) has three major themes, which are:

- **People** – A City for Everyone
- **Place** – Creating Pride in our City
- **Prosperity** – Strengthening Gloucester’s Economy



Our Council Plan emphasises the importance of having a housing stock that meets the needs of everyone and a need for increasing the number of affordable homes.

The following sets out the factors we want Registered Providers to have regard to within their ‘Tenancy Policies’ in assisting the local housing authority in meeting the priorities in the Plan and our statutory duties to homeless clients; whilst also responding to the many Gloucester residents experiencing difficulties in accessing suitable affordable housing.





Affordability of Housing in Gloucester

The Strategic Housing Market Assessment (SHMA) Practice and Guidance document produced by the Department of Communities and Local Government (DCLG Aug 2007) gives guidance on affordability for both buying and renting a home.

A home is considered affordable to buy when it is 3.5 times gross salary for single earning households and 2.9 times gross salary for dual earning households. A home is affordable to rent when it does not exceed 25% of gross household income.

Household Income

The Office of National Statistics (ONS) carries out an Annual Survey of Hours and Earnings (ASHE). The table below shows the gross annual salary for full-time employees living in Gloucester.

Table 1

	Lower Quartile	Median	Upper Quartile
Gross Annual Salary	£16,130	£22,989	£34,491
Gross Monthly Salary	£1,344	£1,916	£2,874

Source: Office of National Statistics

This information has been used to calculate the price which households could afford to pay for a house (below) or how much they could afford in rent using the guidance set out by the DCLG. The figures have been calculated on a single earning household. These figures do not take account of the need for a deposit that would be required to obtain a mortgage, often a stumbling block for first time buyers.

Table 2

	Lower Quartile	Median	Upper Quartile
Amount Household could afford to pay for a property	£56,455	£80,462	£120,719
Amount Household could afford to pay in rent	£336	£479	£719

House prices

The DCLG publishes information on property prices by local authority. Lower quartile house prices in Gloucester have increased from £36,500 in 1996 to £117,000 in 2010. This is an average increase of 9% per year. The DCLG also publishes reports on property prices against earnings. In 1997, lower quartile house prices were 3.28 times of lower quartile earnings. This had increased to 6.36 times by 2010. The figure is lower for median house prices to median earnings increasing from 3.07 in 1997 to 5.78 in 2010.



Renting

Rental figures produced by the Valuation Office are used in the calculation of the Local Housing Allowance (LHA), which is the 30th percentile of rents in the Broad Rental Market Area (BRMA) and the maximum that will be paid by the local authority in Housing Benefit.

The LHA levels for Gloucester are shown below.

Table 3

Size	Local Housing Allowance ¹	Median Market Rent ²	Difference from LHA	Median Social Rent	Difference from LHA	80% of Median Market Rent	Difference from LHA	LHA as % of Median Market Rent	Target Affordable Rent
Room	275	346	-71			277	-2	79%	79%
Bedsit/ Studio	275	365	-90	265	10	292	-17	75%	75%
1 bed	395	425	-30	312	83	340	55	93%	80%
2 bed	525	550	-25	351	174	440	85	95%	80%
3 bed	625	695	-70	386	239	556	69	90%	80%
4 bed	795	990	-195	429	367	792	3	80%	80%
5 bed	795	1295	-500	459	337	1036	-241	61%	61%
6 bed	795	1800	-1005	555	241	1440	-645	44%	44%

¹ The Local Housing Allowance for Gloucester from April 2012

² The Median Market Rents in Gloucester advertised by Right Move in August 2012

Table 3 shows the rent levels of different sized properties for both market and social rented housing in Gloucester. The purpose of this table is to assess the affordability of housing for those households claiming the full Local Housing Allowance. For those on the Local Housing Allowance, the Median Market Rent is unaffordable but this is to be expected as the LHA is set at around the 30th percentile of the private rented sector. The Median Social Rent is affordable compared to the Local Housing Allowance although 100% of social housing rents are eligible for Housing Benefit.

The Affordable Housing Program introduced a new form of intermediate housing as 'Affordable Rent'. This program was to support the financing of new social housing by allowing Registered Providers to increase the rents on new tenancies to a maximum of 80% of market rent. The above table assesses the affordability of Affordable Rents set at 80% of market rent compared to the Local Housing Allowance.

For one to four bedroom need, the LHA is sufficient to afford 80% of market rent. For rooms, bedsit/studios, and those needing more than four bedrooms, the LHA is not sufficient to cover the cost of 80% of market rent; as a consequence, we require that the Affordable Rent for these sized properties is set at the levels in Table 3 Column 10 to ensure the LHA is sufficient.

Welfare Reforms

On the 8th of March 2012, the Government introduced the Welfare Reform Act. One of the main elements of the act was the introduction of Universal Credit, a unified payment for a number of different benefits. One of the aims with Universal Credit is to provide incentives for people to return to work by providing a more effective taper system so that people can retain a larger portion of their benefits. This supports Government policy to ensure that people will always be better off in work than not.

However, it is the introduction of Universal Credit and the cap on total benefits payable, which will likely place more pressure on a household's expenditure and could create a risk of non-payment of rent. It would appear there will be difficulties for very large families renting in the private sector who can only claim LHA rate for a four bed house but may be occupying a five or six bedroom property. Unless the household is able to make up the difference between the LHA and the rent, homelessness amongst larger households may increase. The ability to develop suitable numbers of affordable homes for larger families will therefore be a priority.

Demand

Currently there are 5,103 households in Gloucester who have applied through Homeseeker for re-housing, 1,887 of which have a recognised housing need. The following table shows a breakdown of the lettings through Gloucestershire Homeseeker within Gloucester, by the number of bedrooms for each property and the band the household was in (these figures include new build and relets).

The Housing Needs Assessment (Fordham, 2009) indicates that 797 homes per year are needed to meet housing need. This figure takes account of demographic changes such as rising birth rates, death rates or the creation of small households as a consequence of divorce rates etc.

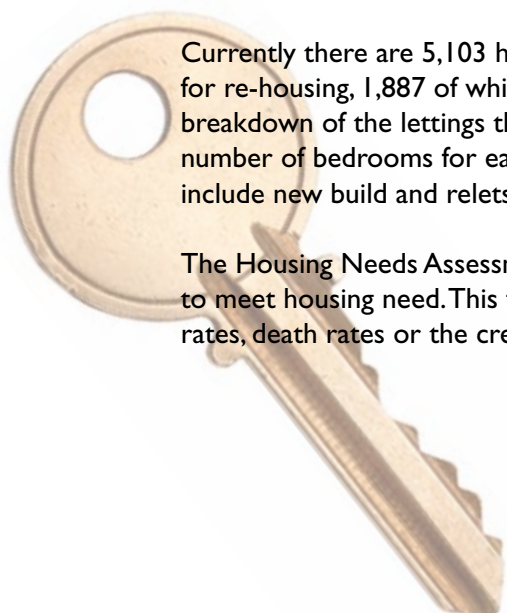


Table 4

Year	Bedrooms	Emergency	Gold	Silver	Bronze	Total
2010	0	0	0	2	0	2
	1	61	36	111	86	294
	2	32	64	59	17	172
	3	12	41	19	0	72
	4	2	11	1	0	14
	5	1	0	0	0	1
Total		108	152	192	103	555
2011	1	108	62	92	63	325
	2	49	81	30	11	171
	3	15	44	24	0	83
	4	2	9	6	0	17
	5	1	0	0	0	1
Total		175	196	152	74	597

Source: Gloucestershire Homeseeker

Deprivation

Within the Indices of Multiple Deprivation 2010 for Gloucester, five Neighbourhoods are identified as amongst the most deprived 10% of neighbourhoods in England (Lower Super Output Areas). We will ask that particular attention is given to any Registered Provider proposals concerning these areas to ensure that they contribute toward improved environments in those areas.

Table 5

Neighbourhood or (LSOA)	IMD national rank
Podsmead	809
Matson & Robinswood 1	1243
Kingsholm & Wotton 3	2332
Westgate 1	2434
Westgate 3	2642

Section 2

The Tenancy Strategy

Our Objective is:

To create an environment where there are a range of tenancies available, that offer sufficient security to tenants; allows flexibility to respond to tenant aspirations, including moves to market housing; are responsive to different neighbourhood environments to ensure well-balanced neighbourhoods; make the best use of existing housing; and increase the number of affordable homes in the City.

Tenancy Options

This section sets out the new and existing tenancy types that will be used in our area. The key features of traditional tenancies and the new fixed term tenancies are summarised below.

Table 6 (CIH, 2012)

	Traditional Tenancy	Fixed Term Tenancy
Social Rent	<p>Local authority – secure tenancy let at social rent</p> <p>Housing association – assured periodic tenancy let at social rent</p>	<p>Local authority – flexible tenancy let at social rent</p> <p>Housing association – fixed term assured shorthold tenancy let at social rent</p>
Affordable Rent	<p>Local authority – secure tenancy let at affordable rent</p> <p>Housing association – assured periodic tenancy let at affordable rent</p>	<p>Local authority – flexible tenancy let at affordable rent</p> <p>Housing association – fixed term assured shorthold tenancy let at affordable rent</p>

There are four potential tenancy options for new lets and re-lets, those are:

- Full Assured Social Rent tenancy;
- Full Assured tenancy at up to 80% of a market rent (Affordable Rent);
- Fixed-term Social Rent tenancy;
- Fixed-term tenancy at up to 80% of a market rent (Affordable Rent).



Affordable Rents

To support the development of 80,000 more homes in England, the Homes and Communities Agency (HCA) has developed an Affordable Housing Program (AHP). The Registered Providers involved in this programme may sell homes, convert vacant homes from 'social rent' to 'affordable rent' and introduce new affordable rent tenancies when existing properties are relet.

The funds generated from additional rental income from affordable rent levels at up to 80% of a market rent will be used to support the development of new homes, both in the City and other areas. The difference in rates is indicated in Table 3 above, and compares current social rents in Gloucester against 80% of current market rents to show the difference in rent levels. **Existing social tenants will be protected from any increases by law.**

In Table 3, we identify Rooms/Bedsits/Studios, five and six bedroomed properties as being unaffordable for tenants at 80% of market rent, and will seek new provision of this specification to be provided at the affordable percentage rate identified.

Any of these new tenancies created through Part 7 of the Localism Act may still be preceded by a probationary tenancy. For Registered Providers not involved in the HCA Affordable Homes Programme, there will be a choice between full Assured social rent tenancy and Fixed Term social rent tenancy, again subject to any probationary period.

Local Authorities

The Localism Act has created a new tenancy type called a '**Flexible Tenancy**'. This tenancy is a form of secure tenancy with the same rights as other secure tenants as set out in the Housing Act 1985, including the Right to Buy (after a qualifying period), and the Right to Repair. The same grounds for possession by the Council are available to be used in any new fixed term tenancy, as would be the case for existing secure tenancies.

Flexibility

In order to secure investment funds to deliver new homes, many of our Registered Provider partners will have already secured contracts with the HCA, that require new homes, and some of their existing homes will be offered on new 'Affordable Rent Tenancies' as they are re-let. Some disposals of homes may occur, for example, where there is interest from residents to acquire wholly or in part, or to support the wider objectives of the Registered Providers Business Plan. Aside from lets on new homes, predicting exactly where in the City or region these situations will arise is difficult for Registered Providers. The City Council will be flexible in responding to these uncertainties.

The Council will expect Registered Providers to have special regard to any proposals affecting those areas listed in the Deprivation Indices in Table 5, and enter into discussions with the Council prior to any disposals or new-build provision, to ensure provision is enhanced.

Where any large scale new development or regeneration schemes are to be undertaken, we will expect a Registered Provider to work closely with the Council so that we may work together to ensure that the proposals complement the profile of a given area.

Expectations regarding Registered Provider Flexible Tenancy Policies

It is expected that most Registered Providers will establish policies and procedures for the use of flexible tenancies and where they do, that the Registered Provider will:

- Set out the criteria against which the Registered Provider will determine which tenancy type is offered.
- Clearly identify tenancy types when advertising any new or homes that are being re-let.
- Make opportunities available in line with legislation to challenge the use of a fixed term tenancy.
- Set out the basis for differing tenancy durations
- Provide advice and assistance to tenants on whom notice has been served bringing to an end their tenancy.

Appeal

The City Council requires all Registered Providers offering Flexible or Fixed Term Tenancies to ensure a robust appeal process is in place for those tenants on whom a 'notice to end their tenancy' has been served.

Tenancy Standard

The Tenancy Standard specifies that Registered Providers are required to offer a tenancy for a minimum fixed term of five years, other than in exceptional circumstances, and in that case, the term should be no less than two years.

For properties with two bedrooms or less, due to the increased costs in managing Fixed Term Tenancies, we will require the continued use of Lifetime Tenancies, as we believe there would be few cost benefits associated with releasing under-occupied properties compared with likely increased costs associated with housing management support and some additional legal costs.

Instead we require Registered Providers to promote and are able to evidence increased marketing opportunities to target and incentivise those households with improving financial circumstances, to take up more suitable products, such as shared ownership or home ownership opportunities. This needn't necessarily result in householders having to move from their existing homes or communities, as they may be able to acquire a share of their existing home.



Exclusions from Fixed Term Tenancies

For those new tenants meeting the criteria below, we believe that there would be little benefit in the use of Fixed Term Tenancies, where prospects for under-occupation or prospects for financial improvement will be extremely limited. For that reason, we expect Registered Providers to have regard to this strategy, and exclude the provision of Fixed Term Tenancies for these groups or property types in the City. Those are:

- Applicants over 55 years of age who are eligible for social or affordable rent tenancies.
- Applicants who are eligible for social or affordable rent tenancies with terminal or severe long term limiting illnesses that prevent them from being able to work.
- Applicants with a disability requiring adapted accommodation.
- All forms of temporary accommodation where assured shorthold tenancies, non-secure tenancies and licences are permitted for shorter periods, to support us in carrying out our homelessness duties.
- Properties of two bedrooms or less.

To support the provision of community networks, often forged over longer periods that offer reassurance to those tenants who are more vulnerable, we believe there is merit in the continued use of lifetime tenancies for older people, those with long term limiting or terminal illnesses, or those who have a disability and require an adapted property.

Fixed Term Tenancies and Families

To support families with children and provide a period of stability so that the children are able to continue their education in their local school without the potential disruption of a house move, unless absolutely necessary, we would expect Registered Providers and Council tenancies to be offered for no less than ten years.

In order to provide fair treatment to expectant mothers, we expect that housing assessments are undertaken on the basis that the child is already born. In these circumstances, we feel the use of an introductory tenancy may be appropriate; with longer term flexible tenancies being offered after twelve months, at a time when the child has been born.

Equalities

In undertaking a People Impact Assessment to support the development of this Tenancy Strategy, we have been able to incorporate proposals that we believe avoids the risk of discrimination and promotes equality of opportunity. Our associated People Impact Assessment may be referred to for further information and how the strategy relates to each of the protected characteristics.

Renewal of Tenancies

To comply with legislation, the City Council expects Registered Providers to ensure that the renewal of a tenancy at the end of the fixed term is a fresh and separate grant of a tenancy. The grant of the tenancy is subject to the same requirement to assess need, as conducted prior to the first offer of a tenancy. Tenants must not simply be awarded a new tenancy at the end of the term, without any further assessment.

At the end of the Fixed Term Tenancy, the Council will expect appropriate advice and assistance to avoid cases of homelessness. A full assessment of the tenant(s) housing circumstances should be undertaken, and support in setting out housing options available to them will be required.

Starter, Introductory and Demoted Tenancies

We support the use of short-term probationary tenancies to help with embedding good landlord and tenant behaviours, and to support the tenant(s) in understanding the need to comply with their tenant obligations. The Localism Act still permits probationary tenancies for both social and affordable rent tenancies and these may precede longer term tenancy arrangements.

Transfers

The revised tenancy standard states that tenants with an existing social tenancy on 1 April 2012 must be given 'a tenancy of no less security where they choose to move to another social rented home'.

It should be noted that this does not apply to tenants granted a traditional 'lifetime' tenancy after 1 April 2012.

The Standard also says, 'the above requirement **does not** apply where tenants **choose** to move to accommodation let on 'Affordable Rent Terms'

Mutual Exchange

In accordance with the Tenancy Standard, we will expect Registered Providers to promote and enable their tenants to gain access to opportunities to exchange their tenancy with that of another tenant, by way of internet-based mutual exchange services and paper based methods to ensure access by all.

In accordance with Guidance, we anticipate existing 'Lifetime' tenants (i.e. full assured tenants and secure tenants) will still retain their right to exchange by way of assignment. This right is statutory for secure tenants and regulatory for assured tenants. The right will apply equally to full assured tenancies at near-market rents.

Similarly, the basis of an exchange between 'lifetime' tenants will continue to be by mutual assignment, where each tenant will, as now, step into the other's shoes and will take over the other's tenancy including its status (be it secure or assured) and its rent level (be it social or near-market).

Succession

For secure and assured tenancies granted after the 1st April 2012 there are now two types of succession. The first type is statutory succession, which will apply when a sole tenant, who is not themselves a successor, leaves a spouse or civil partner (or the common-law equivalent) who resides at the premises at the time of the tenant's death. In such cases, the tenancy will vest in the spouse or partner. This only applies to a sole tenant – it does not take priority over survivorship in the case of a joint tenancy. Also, it does not apply if the tenant is already a successor - and a former joint tenant that became a sole tenant by survivorship, counting as a successor for this purpose.

For an assured tenancy, it extends the existing succession law so that it applies to fixed-term tenancies. There is a significant change for secure tenancies because it means that for a tenancy granted now, other resident family members will no longer have a statutory right to succeed in the absence of a resident spouse or partner.

The Localism Act has also created an important new form of succession, which will apply to all secure and assured tenancies granted. This will apply in any case where a sole tenant dies and there is no one entitled to a statutory succession (e.g. if the tenant has had no spouse or partner, or if the tenant was themselves already a successor).

Due to the demand for affordable housing, the City Council requests that for Registered Provider stock in the City and for the City Council stock, that no clause relaxing the statutory position is included within tenancy agreements, in order to maximise opportunities for those in housing need to secure accommodation.

Setting Rents

In accordance with definitions for affordable housing within the National Planning Policy Framework 2012, an Affordable Rent may be up to 80% of the market level. For bedsits/rooms/studios and properties with more than four bedrooms, in order to be affordable to households in receipt of Housing Benefit or Universal Credit, we require the lower percentage levels identified in Table 3 are to be used.

When setting rent levels, Registered Providers must set rents within Local Housing Allowance (LHA) levels. As set out in recent HCA guidance, we require Registered Providers to use a valuation of market rent in accordance with a RICS recognised method.

The rent level should be assessed according to the individual characteristics of the property and be calculated inclusive of service charges.

Registered Providers are required to ensure that the maximum annual rent increase for near market rents will be RPI + 0.5%. Registered Providers will need to rebase the rent each time a new tenancy is granted. This includes a 're-grant' to the same tenant at the end of a fixed term. Registered Providers will need to be alert to any proposed changes to these arrangements.



New Flexibilities for Allocations

Gloucestershire operates a 'Choice Based Lettings' service through Gloucestershire Homeseeker (GH). GH has a separate allocations policy, which is subject to change in early 2013 to correspond with welfare benefit entitlements. The additional flexibilities offered through the Localism Act in relation to the allocation of social housing, will be considered as part of the review of the Homeseeker Policy.

This Tenancy Strategy should be read in conjunction with the existing GH policy; and any revised Allocations Policy for Gloucester.

Discharging of our Homelessness Duty into the Private Sector

Legislation now allows local authorities to discharge their homeless duties by accommodating those who are homeless or at risk of becoming homeless into the Private Rented Sector (PRS). It is our intention to discharge our duties using the PRS, in order to maximise options to support those who are homeless or threatened with homelessness.

In the City, for those homeless applicants of pensionable age, it would be our preference not to discharge our homeless duties by means of a let into the Private Rented Sector, however where demand for Older Person accommodation is high and suitable property may not be available, we reserve the option to discharge to suitable accommodation in the Private Rented Sector.

The Localism Act does provide safeguards to homeless households by means of a right to review of any decision of a local housing authority as to the suitability of accommodation offered to him by way of a private rented sector tenancy.

Strategy Review

This strategy will be reviewed bi-annually from the date of implementation.



Glossary

Affordable housing

Social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision.

- **Social rented housing** is owned by local authorities and private registered providers (as defined in section 80 of the Housing and Regeneration Act 2008), for which guideline target rents are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Homes and Communities Agency.
- **Affordable rented housing** is let by local authorities or private registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is subject to rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable).
- **Intermediate housing** is homes for sale and rent provided at a cost above social rent, but below market levels subject to the criteria in the Affordable Housing definition above. These can include shared equity (shared ownership and equity loans), other low cost homes for sale and intermediate rent, but not affordable rented housing.

Homes that do not meet the above definition of affordable housing, such as “low cost market” housing, may not be considered as affordable housing for planning purposes.

Demoted Tenancy (Housing Association)

The Localism Act has now introduced the demotion of a ‘Fixed Term Assured Shorthold’ to a ‘Periodic Assured Shorthold’.

Demoted Tenancy (Local Authorities)

If a flexible tenancy is demoted, and the demoted period completed successfully, the demoted tenancy will automatically become a secure tenancy, not a flexible tenancy.

Disposals

This is where a Registered Provider will dispose of a property within the General Consents specified through legislation, or through agreement with the HCA or Local Authority.

Fixed Term Tenancy (FTT)

Is granted for a single specified period of time at the end of which the tenancy will terminate. This has a number of consequences, some of which are inherent in the nature of a fixed-term tenancy, while others have been created by statute.

In particular:

- some grounds for possession are not available against fixed-term tenants
- the familiar 'section 13' rent increase procedure does not apply to fixed-term tenancies
- a notice to quit is not effective to end a fixed-term tenancy, so special procedures will have to be followed if the tenant wishes to leave before the end of the fixed term, or if the tenant abandons the property
- the granting of a tenancy may involve special legal processes, which tend to increase the longer the term.

Flexible Tenancy

A new type of secure tenancy granted for a fixed term.

Housing Association

In England, are independent societies, bodies of trustees or companies established for the purpose of providing low-cost social housing for people in housing need on a non-profit-making basis. Any trading surplus is used to maintain existing homes and to help finance new ones.

Housing Associations have been used as the generic name for all social landlords not covered by local authorities and have been referred to as Registered Social Landlords, although the term (private) Registered Provider of social housing is now commonly used.

Introductory Tenancies

These tenancies last for the first 12 months. If the tenant does not breach any of the conditions of tenancy, then the tenancy will become secure or a flexible tenancy on the anniversary of the date the tenancy started. The tenant will then have rights and responsibilities of a secure/flexible tenant. Introductory tenants have fewer rights than secure tenants and can be evicted more easily

Local Authorities

Are also registered providers with the Homes and Communities Agency.

Local Connection

Is defined in Part VII of the Housing Act 1996 as:

- Those who are normally resident in the local authority area.
(Local Government Association guidelines define this as having resided in the area for six of the last twelve months, or three of the last five years, where residence has been out of choice);
- Those who are employed in the local authority area.
(Local Government Association guidelines define this as employment other than of a casual nature);
- Those who have family connections in the local authority area.
(Local Government Association guidelines define this as immediate family members who have themselves lived in the area for five years).

Mutual Exchange

These are exchanges between tenants of social landlords and usually take place via a deed of assignment where each tenant steps into the other's shoes and takes over the other tenant's tenancy type and terms. New tenancies are NOT signed.

Periodic Tenancy

Is one that is granted for an initial tenancy period, and then automatically rolls forward from period to period.

Private Rented Sector

Privately owned accommodation that is rented out, typically on an 'assured shorthold tenancy' basis to tenants, outside of the social regulated housing sector.

Registered Provider

Is the term used to cover all registered providers of social housing i.e. both private registered providers and local authorities. Only **Private** Registered Providers are eligible to enter into an agreement with the HCA in order to:

- convert existing properties to an Affordable Rent; and/or
- deliver new properties where an Affordable Rent will be charged.

Relets

This is where a tenancy is terminated and then offered for a new tenancy period.

RICS

Royal Institute of Chartered Surveyors

Starter Tenancy (Housing Association)

The Tenancy Standard states that a fixed term tenancy can be preceded by a probationary period.

Succession

This is where a tenant dies and their tenancy is inherited by another person.

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