

CROYDON CHURCHES HOUSING ASSOCIATION

TENANCY POLICY

1.0 Introduction

- 1.1 The Regulator of Social Housing requires Registered Providers (RPs) to publish a Tenancy Policy that ensures that they offer and issue tenancies which are compatible with the purpose of the accommodation, the needs of individual households, the sustainability of the community, and the efficient use of their housing stock.
- 1.2 This policy applies to all our homes for rent and aims to ensure that our tenancies are let in line with Government policy, local policy, housing legislation, the regulatory framework and charitable status. We offer the majority of our homes to applicants nominated by the London Boroughs of Croydon, Sutton and Bromley.

2.0 Funding and Development

2.1 Funding

- 2.1.1 In the 2010 Comprehensive Spending Review the Government announced significant reductions in grant funding and introduced the concept of Affordable Rent (AR) as the alternative to Social Rent (SR), to help fund new development. All RP's who entered into development contracts with the Greater London Authority (GLA) or the Homes and Communities Agency as it was then (now Homes England), were able to charge AR. This could be set at up to 80% of market rent on new homes at the point of letting. RPs with these contracts in place were also able to introduce ARs on a proportion of their re-lets. AR has since been superseded by London Affordable Rent (LAR). We are no longer building new AR properties or converting existing properties. However, properties already on AR will continue to remain so, and their rents reviewed when they become void.
- 2.1.2 New rent rules were also introduced by the Government in April 2015 to allow RPs to charge up to full Market Rent (MR) on those properties with a taxable household income of at least £60,000 a year. This additional income from rent could then be used towards development costs. However, we have no plans to charge higher rents to higher earning households.
- 2.1.3 We generate income for development through property sales for shared ownership and private sales.

2.1.4 Other means of generating funding for development are governed under our finance strategy and have no bearing on the tenancies we offer or how we allocate our properties and therefore are not detailed within this policy.

2.2 2016-21 Development Programme

2.2.1 Our current Development Strategy 2016-21 reflects the needs outlined in the Mayor of London's new affordable homes programme.

2.2.2 This development programme is a mix of London Affordable Rent (LAR), London Living Rent (LLR), London Shared Ownership (LSO) and Market Sales (MS). The current Homes for Londoners guidance require there to be a proportion of all the affordable products to be included in the programme.

2.2.3 Under the new business plan ccha 2025, we have a development programme of 50 – 60 homes per year and are committed to developing more genuinely affordable homes. Our aim is to develop at least 50% of the programme for London Affordable (social) Rented homes. The other 50% will consist of a mix of Market Sales, Shared Ownership and London Living Rent. However, the financial viability of the scheme will dictate the exact tenure mix.

3.0 **Policy Objectives**

3.1 This policy aims to:

- Make best use of our housing to meet local housing need.
- Ensure that our homes are let to, and continue to be let to, those who are unable to meet their housing needs themselves.
- Ensure that we support new social housing tenants in their first year by using Starter Tenancies for all new general needs and older persons housing in all boroughs, where appropriate, as per our guidelines in section 5.1.2.
- Provide clear guidance on the appropriate tenancy type for each letting we make.
- Provide clarity as to when different rents will be charged on a property.
- Assist our Local Authority partners in best meeting local housing needs, having regard to their tenancy strategies as required under the Localism Act 2011.
- Support the creation of strong and sustainable communities.
- Help to tackle problems with under occupation.
- Prevent any direct or indirect discrimination in the use of tenancies on the grounds of age, colour, ethnic or national origin, nationality, disability, gender/gender

assignment, sexual orientation, marriage, civil partnership, pregnancy or a person on maternity or adoption leave, religion or belief.

- Provide a clear appeals process.

4.0 Rent Models For Properties

- 4.1 *London Affordable Rent (LAR)*: These are discounted rents excluding service charges. LAR are capped by benchmarks and are set out each financial year by the GLA. Rents may be increased on an annual basis, in line with our Rent Setting Policy. Rental amount is determined by the number of bedrooms in a property; location is not a determining factor.
- 4.2 *London Living Rent (LLR)*: The LLR is an intermediate affordable housing product with locally specified rents, which is time limited. The GLA has calculated ward-specific rent levels for London Living Rent homes based upon one third of median gross household income for the local borough and includes service charges. These can be found on the London.gov.uk website. The GLA expects that in most cases tenants should be offered the right to buy their current home on Shared Ownership terms, or as an outright Market Sale at any time during the tenancy. If no tenant has taken up that right within 10 years, the provider is expected to sell it to another eligible purchaser either through Shared Ownership or outright Market Sale.
- 4.3 *Social Rent (SR)*: In addition to new rent models, ccha will continue to offer SR properties. Social Rents are set using a government formula as set out in paragraphs 2.4 to 2.6 of the government Rent Policy Statement.
- 4.4 *Affordable Rent (AR)*: Section 2.1 explains the introduction of AR. This is set at up to 80% of market rent at the point of letting. We have however, made the decision that we will not charge more than the LHA rate for the property. AR includes service charges, except any personal charges (if eligible) which will be charged separately. Please see Appendix 1 for a guide to calculating an AR.
- 4.5 *Fair Rent (FR)*: These are no longer used for new tenancies, but we still have some residents on Secure Tenancies who are covered under fair rents. Fair Rents are re-registered every two years by the Valuation Office Agency.

5.0 Tenancy Policy

5.1 Explanation of Tenancy Types

As a general principle we will always seek to issue tenancies that give the maximum security of tenure to a tenant. However, there may be restrictions arising from existing nomination agreements, planning consents, title deeds or funding arrangements used

to provide the accommodation. In practice we remain committed to providing Assured Tenancies as standard practice, however this is not always appropriate for the type of accommodation or client group. We will select the type of tenancy we will offer to applicants from the following:

5.1.1 License

This is a short-term occupancy agreement granted for up to a period of 1 year with a 28-day notice period except in the cases where an Excluded License is granted. An excluded licence can be ended without any specified notice period and we are not obliged to seek a possession order and can simply change the locks. However, we will not normally give less than 28 days' notice terminating the License except in certain circumstances. This may include but is not limited to; seriously disruptive or violent behaviour that is threatening or endangers the wellbeing of other residents and cases of abandonment. In these situations, we may change the locks to protect staff, other residents and/or the property.

Within supported housing, where there are Houses of Multiple Occupation (HMOs) which have shared main facilities, Licenses will be the form of occupancy agreement used. This is because they are usually used for short term support services of 1-2 years maximum.

5.1.2 Starter Tenancy

This is an Assured Shorthold Tenancy (AST) for an initial period of 12 months.

For general needs and older persons housing we will offer a 12-month Starter Tenancy if the tenant is completely new to social housing, or if their home immediately before rehousing was not a secure form of tenancy (e.g. from private rented sector, homelessness etc.). Following successful assessment of the tenancy conditions having been kept throughout the period of the Starter Tenancy, this would be converted to either an Assured Tenancy or a Fixed Term Tenancy (FTT) of a minimum of 2-5 years (see conditions in 5.1.3 and 5.1.6 below).

If the tenant has not adhered to the conditions of the Starter Tenancy, we have the facility to extend this for a further 6-month period or to end the tenancy by issuing notice. The tenant has the right to ask for a review of any extension that is recommended. See the **Starter Tenancy Procedure**.

5.1.3 Assured Tenancy

This is an agreement that is a life time tenancy and which can only be repossessed on one of the grounds set out in the Housing Act 1988 or by service of a Notice to Quit if the tenant dies, if the tenant stops living at the property and using it as their only or principal home, or if the tenant illegally sub-lets the property.

These are used within most general needs and older persons housing. If a new tenant has been a tenant in social housing immediately preceding the offer of a property, then they would be issued with an Assured Tenancy from the start of their tenancy.

Existing tenants transferring or succeeding to an existing Assured Tenancy will also be issued with an Assured Tenancy in line with legislation. If a succession is granted on a discretionary basis, we reserve the right to use a Starter Tenancy.

5.1.4 Fixed-Term Assured Shorthold Tenancy (Fixed-Term AST) - London Living Rent

This is a form of Assured Tenancy with limited security of tenure, which was introduced by the Housing Act 1988, and with a widening of its definition made by the Housing Act 1996.

These will be used for LLR intermediate rent tenancies and the tenant shall not be allowed to occupy for a period of more than 10 years (this will include the initial tenancy and any subsequent renewals). The GLA has made it clear in guidance that it does not expect tenants to be required to move for at least 3 years from the start of their tenancy and as such, residents will be given a 3 year Fixed-Term AST which will then automatically convert to a Periodic AST.

5.1.5 Periodic Assured Shorthold Tenancy (Periodic AST) – Supported Housing

A Periodic AST rolls on a weekly or monthly basis with no end date. Where this is used in supported housing, we are using a weekly Periodic AST. As with a Fixed Term AST, a Periodic AST has a limited security of tenure.

These are used for some self-contained properties in supported housing. This is to ensure that whilst it is a longer-term service, the overall aim to get the tenant back into non-supported accommodation, is not lost.

5.1.6 Fixed Term Tenancy (FTT) of between 2 and 5 years (also known as flexible tenancies)

These were introduced by the Localism Act 2011 as a tool for housing associations to make the best use of their stock. Historically, we have used these on larger properties (3 bedrooms +) and on adapted properties. However, following a review, we have decided that we will no longer be issuing FTTs to new applicants on larger or adapted properties. We will instead use the other tenancy types already described.

For those tenants who are currently on a FTT, we will review each situation on a case by case basis in line with the existing criteria. Where there is still a need for the property they are in, we will convert the tenancy to an Assured Tenancy. Where there is no longer a need for the property they are in, we will seek to find the tenants more

appropriate housing. Further information on ending these tenancies is set out in section 5.3.3.

FTTs may also be offered to tenants who do not have indefinite leave to remain in the UK (see 7.2 below).

5.1.7 Secure Tenancy

Secure tenancies were used prior to the introduction of assured tenancies. They are lifetime tenancies and secure residents may have some additional rights. Although we no longer issue secure tenancies, tenants who signed up prior to 1989 may have a secure tenancy.

5.2 **Rents by Tenancy and Property Type**

5.2.1 Licences

Anyone allocated this tenure type will pay SR. This is with the exception of residents who are temporarily decanted and granted a licence agreement for the property they are decanted to. In these instances, we will act in accordance with our **Decant Procedure**.

5.2.2 Assured Tenancies

New tenants allocated this tenancy will pay:

- Affordable Rent, where the allocated property was previously allocated or converted to this rent model. There are no new conversions to Affordable Rent.
- Social Rent on existing properties which have remained on this rent model.
- Social Rent on older persons properties.
- London Affordable Rent for newly built general needs properties funded under the 2016-21 development program.

5.2.3 Fixed-Term Assured Shorthold Tenancy (Fixed-Term AST) – London Living Rent

New tenants allocated this tenancy will pay LLR for those newly built intermediate rented properties funded under the 2016-21 programme.

5.2.4 Periodic Assured Shorthold Tenancy (Periodic AST) – Supported Housing

New tenants allocated this tenancy will pay SR.

5.2.5 Fixed Term Tenancies of between 2 and 5 years

Tenants allocated this tenancy will pay AR, LAR or SR as determined by 5.2.2 above.

5.3 **Criteria for ending a non-assured Tenancy**

5.3.1 Starter Tenancy or Periodic AST

Under the Starter Tenancy procedure, at the end of the period there is the option to end the tenancy or convert to an Assured Tenancy or FTT if the tenant has maintained the conditions of the tenancy agreement throughout the period. See **Starter Tenancy Procedure**.

During the time the tenancy is a Starter Tenancy or for a Periodic AST, we may end the tenancy by obtaining a Court Order for Possession of the property on the basis of proceedings under Section 21 Housing Act 1988. When relying on Section 21 Housing Act 1988, we must give the tenant not less than two months' notice. We do not need to rely on a ground for possession when we do this. Any Possession Order obtained on this basis cannot take effect any earlier than 6 months from the start of the tenancy. Alternatively, during the first 6 months and throughout the period of the Starter Tenancy we are also able to seek possession on the Grounds set out in Schedule 2 of the Housing Act 1988 or any future legislation.

5.3.2 Fixed Term AST – London Living Rent

During the fixed term period, the tenancy cannot be ended using a Section 21. A Section 21 notice can still be issued, but the date on the notice must be no earlier than the end of the fixed term period. We may seek possession of the property during the fixed term period if there is a reason to do so, such as rent arrears or a breach of tenancy. In such cases, we would seek possession via grounds set out in Schedule 2 Housing Act 1988 (as amended) or any future legislative changes or enactments. If a resident gets to the end of the 10-year period and the property has not been purchased, we will also seek to end the tenancy at this point.

After the expiry of the fixed term, the tenancy becomes a Periodic AST and can be ended as set out in section 5.3.1.

5.3.3 Fixed Term Tenancies - (Flexible Tenancies)

Where a FTT is used, at the start of the final year of its term, the tenant's circumstances will be reviewed. This is to assess whether they still need the size and type of accommodation that they are occupying. If the needs are the same, we will issue an Assured Tenancy. If the housing need has changed but they are still entitled to housing, we will seek to rehouse the tenant in more appropriate accommodation. The review would be against the following criteria: :

- The household is under occupying by more than one bedroom, in accordance with our **Allocations and Lettings Policy**.

- The tenant can no longer demonstrate a genuine housing need e.g. where they own alternative accommodation.
- The tenant or any successor or member of the household no longer requires wheelchair accessible or a mobility property.
- A valid possession order is already held.
- The tenant will no longer have leave to remain in the UK.

If any of the above conditions apply, then we may seek to end the tenancy by providing the required statutory notices and take possession of the property. Should a decision be made not to issue an assured tenancy, ccha's Leadership Team will be notified prior to the end of the tenancy.

The tenant must be informed of the decision to extend or end the tenancy a minimum of 6 months before the anniversary date.

5.4 **Dealing with breaches in Fixed Term Tenancies**

Arrangements for ending a Fixed-Term Tenancy are fundamentally different from those for ending a periodic tenancy. A FTT can be ended before the expiry in four different ways; a) Surrender; b) Court Order; c) Abandonment, and d) Implied Surrender. A FTT can also be ended by serving a Section 21 notice expiring at the end of the fixed term.

For a court order to end a FTT, a valid ground for possession needs to be made. Serious tenancy breaches occurring during the term of the tenancy will be dealt with according to ccha's normal tenancy enforcement policies and procedures for:

- Serious and/or persistent breaches of tenancy conditions.
- Serious rent arrears or persistent failure to pay rent on time.
- Serious or persistent anti-social behaviour (ASB).
- Using the home for illegal and immoral purposes.
- Allowing the home to fall into disrepair through neglect, waste, or default.
- Illegal occupation.

Where tenants have committed a minor breach of tenancy, they must fix the breach before we will give a new tenancy. A minor breach could include, but is not limited to:

- Minor arrears (anything up to six weeks rent at which point a notice would be served).
- Any damage they have caused.
- Outstanding repairs the tenant is responsible for.

- Unauthorised alterations.
- Low level ASB (defined at discretion of Operations Manager).

In this situation it is open to the Operations Manager to give a new tenancy or, in the case of a Starter Tenancy, extend the Starter Tenancy. Alternatively, where there is a minor breach of tenancy, the Operations Manager may take into consideration all factors and decide to end the tenancy.

5.5 **Supporting tenants at the end of Fixed Term Tenancies**

Where it has been decided to end a FTT due to a change in housing need and through no fault of the residents, we will provide advice and assistance about potential options prior to any notices being served. Where there is still a need and entitlement to housing, we will offer the tenant at least 2 suitable alternative properties, which may include smaller flats or older persons accommodation where appropriate. We will also work closely with the household to make sure they take advantage of any opportunities where appropriate, through transfer, mutual exchange, registering for choice-based lettings (Sutton) or applying to go on the housing register (Croydon) or any other moving or mobility schemes available.

Any tenants whose tenancy is being ended for any of the reasons set out in section 5.3.3 or 5.4 would be referred to the Local Authority Housing Options and Advice Service (which includes the Homeless Persons Unit) and other external agencies such as the Citizens Advice Bureau, and independent housing advice services. They will also be offered welfare and money advice by our Income Team.

5.6 **Rights of Tenants**

Our responsibilities as a landlord, and tenants' rights and obligations are set out in our tenancy agreements and we will not refuse reasonable requests where tenants must get permission to use these rights.

Before the start of any tenancy the following will be explained to the tenant:

- The terms and conditions of their tenancy, including their rights and responsibilities.
- The process for renewing/ending their tenancy where applicable.
- How their tenancy could be ended.
- The support that will be provided if we decide not to renew their tenancy at the end of the term.

6.0 Transferring Tenants

- 6.1 Where an existing tenant transfers from one of our properties to another and their tenancy started on or before the Localism Act 2011 was introduced, they will be offered the same level of security as their existing tenancy although the rent charged may be different (i.e. if the property they are transferring to is AR).
- 6.2 For tenants with tenancies starting after the day of the Localism Act 2011, the tenancy would be offered in accordance with section 5.1 and 5.2 of this policy.
- 6.3 For tenants moving under the Mutual Exchange Policy where the tenancy started on or before the Localism Act 2011 was introduced, the tenant will retain the same level of security as their existing tenancy.
- 6.4 For tenants moving under the Mutual Exchange Policy where the tenancy started after the Localism Act 2011 was introduced the tenant would be offered a tenancy in accordance with section 5.1 and 5.2 of this policy.
- 6.5 For tenants with a Secure Tenancy transferring to one of our properties, the tenant would be offered a tenancy in accordance with section 5.1 and 5.2 of this policy.
- 6.6 See the **Transfer and Mutual Exchange Procedure** and **Succession and Assignment Procedure** for more details.

7.0 Eligibility

- 7.1 We will only offer a tenancy to those who can provide evidence to confirm they have UK or qualifying EU citizenship (based on the current and future arrangements as agreed under BREXIT); they have been granted indefinite or limited leave to remain in the UK; or they have applied for an extension of their leave to remain if it has expired.
- 7.2 We will not offer an Assured Tenancy to an applicant who has been granted limited leave to remain in the UK, or who cannot provide evidence to confirm that they have applied for an extension of their leave to remain in the UK if it has expired. We will instead offer a Starter Tenancy initially. This is to ensure that we are able to confirm leave to remain is extended and the resident has the right to rent. An Assured Tenancy will be granted if the tenant is granted indefinite leave to remain. If they still have the right to rent after the Starter Tenancy period but do not have indefinite leave to remain then we will issue a Fixed Term Tenancy to allow us to monitor their status and ensure we are complying with government legislation.

8.0 Equality and Diversity

- 8.1 We will use profiling data to monitor the use of different tenure types and the ending of tenancies. This is to ensure that there is no direct, indirect or inadvertent

discrimination occurring on grounds of age, colour, ethnic or national origin, disability, gender/gender reassignment, sexual orientation, religion or belief.

- 8.2 We support tenancy sustainment through targeted support, including work and skills training, welfare and money advice and effective tenancy management, and take all reasonable steps to prevent unnecessary eviction. See the **Income Recovery Policy**, **Anti-Social Behaviour Policy**, **Community Investment Strategy** and **Neighbourhood Policy** for more information.

9.0 Appeals Process

- 9.1 A tenant has the right to Appeal certain decisions to end a tenancy, for example if a starter tenancy is being ended by service of a Section 21 notice or if a minded to notice has been served in respect of a Fixed Term Tenancy. Regarding Fixed Term Tenancies, tenants may also Appeal if they do not feel the length of the tenancy is appropriate and/or they don't believe this type of tenancy should have been granted. There is no right to appeal a decision to end a tenancy where the tenant has been served with a Section 8 Notice Seeking Possession.
- 9.2 The tenant will be informed in writing if they have a right to Appeal. Appeals must be put in writing either by e-mail, letter or dictated over the phone to a member of staff within 28 days of the notified decision. Information on appeals will be given to residents at the beginning of their tenancy and/ or when a tenancy is being ended. A Director, who has had no previous involvement in the case, will review the appeal and make a decision within 10 working days. As part of the appeals process, the Director reviewing the appeal will consider the following:
- All relevant information pertaining to the case.
 - If policies and procedures were correctly implemented and adhered to.
 - If legislation was correctly followed.
 - If the decision taken was reasonable and proportionate.
- 9.3 If a tenant is still dissatisfied, they can refer the matter to the Housing Ombudsman.

| Version History | |
|---|-------------------------------|
| Policy name | Tenancy Policy |
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| Lead Officer | Director of Operations |
| Equality Impact Assessment | January 2021 |
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| Colleague and Local Authority Consultation | September 2020 - January 2021 |
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| Policies and procedures replaced | Tenancy Policy 2017 |

Appendix 1 - How to calculate an Affordable Rent

1. To find an Affordable Rent first go to the website below.

<https://www.london.gov.uk/what-we-do/housing-and-land/renting/london-rents-map>

2. Then enter the postcode and bedroom size required and click search.

The screenshot shows the top navigation bar of the Mayor of London website, including the Mayor of London and London Assembly logos, a search bar, and menu items: What we do, In my area, Get involved, About us, and Media centre. Below this is the 'London Rents map' section, which includes introductory text about the map's data source (Valuation Office Agency) and update frequency (monthly, latest data to November 2015). A list of links is provided: Map, Definitions and methodology, and Tell us what you think. The main part of the image is the interactive map interface. It features a search box labeled 'Enter a location:', a 'Property type:' dropdown menu currently set to 'Room', and a 'Map opacity' slider. A purple 'Search' button is located below these controls. The map itself displays various London districts color-coded by rent levels. Two callout boxes are present: one pointing to the search box with the text 'Enter Postcode' and another pointing to the 'Room' dropdown menu with the text 'Use dropdown for room size'. The Windows taskbar is visible at the bottom of the browser window.

3. You will then see something that looks like the screen shot below.

The screenshot shows the Mayor of London website interface. At the top, there are navigation links: 'What we do', 'In my area', 'Get involved', 'About us', and 'Media centre'. A search bar is also present. Below the navigation, there is a map of Croydon with a red outline indicating the area of interest. A callout box titled 'Private Rental Details' is overlaid on the map, providing the following information:

- Weekly rental values for 2 bed lettings in CR0
- Postcode median: £265 (CR0)
- Borough median: £253 (Croydon)
- London median: £334
- + More rents data

A callout box with the text 'Click for more data' points to the 'More rents data' link. To the right of the map, a table titled 'Weekly rental values for 2 bed lettings in CR0' is shown:

| Statistic | Postcode: CR0 | Borough: Croydon | Greater London |
|----------------------------|---------------|------------------|----------------|
| Lower quartile | £242 | £230 | £282 |
| Median | £265 | £253 | £334 |
| Upper quartile | £276 | £276 | £415 |
| No. of entries in database | 228 | 522 | 21958 |

Below the table, text indicates that the Affordable Rent can be calculated as 80% of the upper quartile weekly rent for that postcode.

4. The Affordable Rent should be no higher than the Local Housing Allowance (LHA) rate for the area. If the Affordable Rent is higher than this, then the LHA rent should be used as the Affordable Rent instead. The LHA rate can be checked by going to the website <https://lha-direct.voa.gov.uk/search.aspx>

The screenshot shows the Directgov website interface for the Local Housing Allowance (LHA) calculator. The page title is 'Local Housing Allowance rates'. The search criteria are set to 'Search for Local Housing Allowance rates by postcode or local authority'. The search results show the following information:

- Find your Local Housing Allowance rates
- To find your Local Housing Allowance (LHA) rate, fill in the details and select 'Submit'.
- Required information is marked with an asterisk (*).
- Select how many bedrooms you are entitled to under LHA:
- Enter a postcode (e.g. CB24 2AE):
- OR
- Select a local authority:
- Choose the month when your housing benefit claim starts:
 - Month:
 - Year:

The page also includes a 'Submit' button and a 'Contact us' link. The Valuation Office Agency (VOA) logo is visible on the right side of the page.

5. This will state the maximum amount we can charge for a particular sized property.

We must keep documentary proof on file of the rent set – which is checked by finance before they update Cx with the rental amount.