

## FACT SHEET

# Tenancy policy

### 1. Introduction

We're committed to providing good quality affordable homes to people in need, in communities where people want to live. We'll take into account the needs and aspirations of existing and potential residents and offer a range of housing options to meet their requirements.

We aim to let our homes in a fair, transparent and efficient way. We'll offer tenancies or terms of occupation compatible with the purpose of the accommodation, needs of individual households, and sustainability of the community.

This policy sets out the type of tenancy agreement we'll offer when letting our homes for the following tenures:

- General needs
- Housing for older persons
- Supported (and Specialist) housing
- Intermediate Market Rent

It doesn't include tenancy types for market rent, leasehold, key worker or shared ownership homes.

### 2. What tenancies will we grant?

Tenancies are determined by law and current tenancy types were introduced by the Housing Act 1988, amended by the Housing Act 1996 and further changes introduced by the Localism Act 2012. We have a range of tenancy types:

- Fixed Term Tenancy with one year probationary period (6 years)
- Fixed Term Tenancy (5 years)
- Assured Tenancy (lifetime tenancy)
- Assured Shorthold Tenancy
- Licence Agreement
- License Agreements

### 3. How will we decide who gets what tenancy type?

We'll give Fixed Term Tenancies to all new housing applicants who don't currently have an assured or secure tenancy. This is for all types of property, including general needs, housing for older people and any adapted or supported housing.

Any social housing tenant with an assured or secure tenancy will be given an assured tenancy if they move into a Sovereign property. The move could be through Choice Based Letting, local authority nomination, HomeSwapper or HomeHunt.

The only exception to this is if a new Sovereign tenant chooses to move to a property being offered at an affordable rent, which is for FTT only. This means the tenant would have to give up their assured tenancy for an FTT.

Assured Shorthold Tenancies (AST) will continue to be given to those in temporary accommodation or when we're helping the local authority to meet their duty for a homeless application.

ASTs are also granted on Intermediate Market Rent properties.

Licence Agreements are predominantly used in Specialist Housing where support is provided to tenants by our preferred external support provider.

We may also use license agreements following a decant - where a tenant has to move out temporarily so we can do repairs - or to allow a non-statutory successor while they seek alternative accommodation. This would allow them to pay a use and occupation fee.

### 4. How long will our tenancies last?

Our FTT for residents new to social housing will be for a term of six years, including a one year probationary period. Further FTTs will be for five years.

We won't grant a FTT for less than five years. New residents will be provided with a clear explanation of what a FTT means and our review process.

Assured Tenancies will continue to be 'lifetime tenancies' unless tenancy breaches result in an Order being made by a Court of Law that ends the security of the Assured Tenancy.

We'll grant an Assured Shorthold Tenancy for a period between 6 months and 24 months depending on the specific needs of the resident and the type of home they're moving into.

## 5. What happens at the end of an FTT?

In the year that an FTT comes to an end we'll carry out a formal assessment of the household. In most cases we expect to issue a further FTT and only where there have been significant changes in housing need, issues with the conduct of the tenancy or a significant improvement in a household's financial circumstances will we consider bringing the tenancy to an end.

Options at the point of review may include:

- A further five year FTT at the same home,
- A further five year FTT at a more suitable home,
- Shared ownership, potentially at the same home,
- Outright purchase, potentially Preserved Right to Buy or Voluntary Right to Buy,
- "Pay to Stay",
- Ending the tenancy.

Following the formal assessment and at least six months before the end of the FTT we'll inform the residents of the outcome of our review and either:

- Offer a further FTT
- Make a more suitable offer, or
- Advise the resident they will not be offered any further FTT.

If our decision is to end the FTT the resident will have the opportunity to appeal the decision, which will be by review by an independent panel.

We'll offer advice and support to find and move to an alternative home.

## 6. Mutual exchanges

Both Assured and Fixed Term tenants are able to apply for a mutual exchange once they've successfully completed any probationary period.

We give our tenants free access to mutual exchange website HomeSwapper, which would help them find an exchange partner if they want to move home.

## 7. Succession

The tenancy type granted on succession depends whether it is statutory, contractual or discretionary succession. We'll grant statutory or contractual successors the original tenancy of the deceased resident. If the tenancy is a FTT, the successor will take on the remainder of the term and be subject to the review at the end of the five year period. Where we grant discretionary succession, a new tenancy will be granted and this will be a FTT. [Link: Succession process.](#)

## 8. What support and advice is provided at the end of a tenancy?

Whatever the tenure we'll provide support and advice to residents when their tenancy is coming to an end. We'll advise of other possible housing options, including signposting to other Sovereign products, such as shared ownership.

In certain cases we may also refer a resident to a local authority, if we believe they would be eligible to join the housing waiting list and maximise their opportunity of finding a more suitable home.

## 9. Encouraging and supporting resilience and independence

All our tenants will be encouraged to consider how they could improve their personal circumstances and possibly access alternative housing solutions, such as shared ownership.

We encourage resilience and independence in our tenants and provide services that offer advice and support around career planning, job searching, training and self-employment to help them achieve this.

Through this approach we'll make sure our homes are made available to those in need.

[Links to: Lettings Policy; Mutual Exchange Policy; Probationary Tenancy Process; Tenancy Changes Policy Transfer Policy Succession Process.](#)

\* Pay to Stay – Allows us to increase rent to 80% of market rent or full market rent as a result of households income significantly improving.