



Melton
Borough
Council



Tenancy policy 2015-2020

1. Introduction

- 1.1. This tenancy policy sets out the kinds of tenancies that the Melton Borough Council will offer and when they will be granted. It sets out the Council's approach in its function as a landlord. Its strategic approach to tenancies is set out in the Council's strategic tenancy strategy which we have taken into account in developing this policy.
- 1.2. Melton Borough Council will offer the following types of tenancies;
 - Introductory
 - Secure
 - Flexible
 - Demoted
 - Non-secure
- 1.3. This tenancy policy will also set out the Council's approach to;
 - Affordable rent
 - Granting discretionary succession rights
 - Mutual exchange
- 1.4. We will review this document at a minimum every five years.

2. Introductory Tenancies

- 2.1. An introductory tenancy is a trial tenancy. We use these tenancies to deal quickly and easily with new tenants who cause problems.
- 2.2. An Introductory tenancy will be offered to all new tenants. New tenants do not normally include tenants who move directly from another local authority or a housing association home. We will grant a secure or flexible tenancy to tenants who already have security of tenure with a registered provider of housing.
- 2.3. An introductory tenancy does not apply to tenants given temporary accommodation; they will be given a non-secure tenancy.
- 2.4. Before the start of an introductory tenancy, we will tell the tenant which kind of tenancy (secure or flexible) we will grant at the end of the introductory period.
- 2.5. An introductory tenancy will normally last for twelve months.
- 2.6. An introductory tenant has rights and responsibilities which are very similar to that of secure and flexible tenants. They have the same right to repair, to succeed, to be consulted and to assign their home. The responsibilities of an introductory tenant will include;
 - paying their weekly rent and other charges shown on their tenancy agreement, in advance;
 - giving the Council four weeks' notice in writing if they wish to end their tenancy; and
 - ensuring that they and everyone living or visiting their home does not behave in a way which causes nuisance or annoyance to anyone in the locality of their home or neighbourhood. This includes harassment, racial or otherwise.

- 2.7. An introductory tenant will not have the right to¹:
- Take in lodgers or sublet part of their home
 - Improve their home
 - Exchange their home
 - Buy their home (the introductory period can count towards the 'Right to Buy' discount).
- 2.8. If the terms of the introductory tenancy are met then the tenancy will automatically become a secure or flexible tenancy on the anniversary of the date the tenancy started.
- 2.9. If during the period of the introductory tenancy a tenant breaks any of the conditions of their tenancy, the Council may take action to evict them. We will not normally make an introductory tenancy a secure or flexible tenancy if the rent account has not been kept up to date.
- 2.10. To bring an introductory tenancy to an end, we must write to the tenant to inform them that we are going to ask the court for a possession order. The tenant will be issued with a Notice of Proceedings and they will have the right to request a review or appeal against the Council's decision to seek possession. We can extend an introductory tenancy by a period of 6 months when there is a reasonable possibility that the tenancy can be put right, examples may include;
- making a realistic arrangement to pay rent arrears
 - agreeing to work with support agencies to stop behaviour which causes nuisance or annoyance to neighbours.
- 2.11. An introductory tenancy will always be extended by 6 months and can only be extended once.

3. Secure Tenancies

- 3.1. Secure tenancies will be offered to all tenants who rent their home at a social rent. This is the majority of the council's housing stock. The exceptions are some new council homes which we have built or aquired after April 2014.
- 3.2. A secure tenancy is sometimes called a lifetime tenancy, it means that as long as you meet the terms of your tenancy you can remain in your home as long as you wish. Secure tenants responsibilities will include;
- paying their weekly rent and other charges shown on their tenancy agreement, in advance;
 - giving the Council four weeks' notice in writing if they wish to end their tenancy; and
 - ensuring that they and everyone living or visiting their home does not behave in a way which causes nuisance or annoyance to anyone in the locality of their home or neighbourhood. This includes harassment, racial or otherwise.

¹ Whilst you do not have the above rights, there may be some instances where the Council may use its discretion and provide written consent

- 3.3. Secure tenants have the right to take in lodgers, sublet part of their home, improve their home, exchange their home and buy their home through the Right to Buy scheme (after 5 years).
- 3.4. A secure tenancy can only end where one of the following occurs;
- the tenant gives up the tenancy by notice to quit or surrender;
 - one of the conditions of the secure tenancy ceases to be met, including rent arrears;
 - the tenant sublets or parts with possession of the whole property;
 - the tenant is demoted to a demoted tenancy; or
 - under one of the grounds specified in the Housing Act 1985.
- 3.5. Where the council seeks to end a secure tenancy, they must serve a notice setting out the grounds for seeking possession, upon the expiry of which the landlord can apply to the county court for a possession order.

4. Flexible Tenancies

- 4.1. Flexible tenancies have similar rights to secure tenancies, including the Right to Buy. The difference is that they last for a fixed length of time, which is why they are sometimes referred to as fixed term tenancies. Flexible tenancies can be renewed at the end of each fixed term.
- 4.2. We will offer a flexible fixed term tenancy in all of our properties that are let at an affordable rent. This will be a selection of new homes built or acquired after April 2014 in accordance with our affordable rent policy set out in section 10.
- 4.3. All fixed term tenancies will be for a period of 5 years. The exception to this is where a new flexible tenancy is granted because of a mutual exchange, succession, transfer or after successfully completing a demoted tenancy. In these circumstances a tenancy of 2 years or to the end of the original fixed term period will be granted, whichever is longest.

5. Flexible Tenancy Renewal

- 5.1. We will contact tenants between 9 and 12 months before the end of their flexible tenancy. They will be asked to provide information to the council to enable us to make a decision whether to renew their tenancy or not. We will need to know about the people in the tenant's household as well as information about their income and savings. Failure to cooperate with a review may lead to a tenancy not being renewed.
- 5.2. In making our decision we will take into consideration whether the tenant has broken the terms of their tenancy agreement, including any anti-social behaviour and housing related debts. If the home is a wheelchair adapted or accessible home or has been extensively adapted during the tenancy to meet the needs of a disabled person we will check that the household is still in need of such adaptations.

- 5.3. It is important that the renewal of tenancies is fair, consistent and transparent. To ensure fairness, tenancy renewal will reflect how we allocate our homes. It is presumed that most flexible tenancies will be renewed unless;
- a. the tenant has broken the terms of their tenancy agreement
 - b. the tenant has the ability to access market housing;
 - c. the tenant's housing need has changed;
 - d. the property is required by the landlord for management reasons; or
 - e. there are other exceptional circumstances
- 5.4. These criteria will reflect that of our allocations policy. Appendix A sets out how we will assess these criteria in more detail and it will be updated periodically to reflect any changes to our allocations policy.
- 5.5. We will also take into consideration the individual circumstances of a tenant and their household before making a decision not to renew a tenancy.
- 5.6. We want to support tenants who are facing challenging circumstances and will take into consideration any exceptional circumstances. This will include a recent death, serious illness including a terminal diagnosis or other significant trauma or crisis within the household. We reserve the right to automatically renew a tenancy for a further 2 years so not place the household under duress in a time of pressure as well as allow the household time to adjust to changes, which may change their long term housing needs.
- 5.7. Security and stability during a child's education is important. Families sometimes also rely on nearby friends and relatives to provide care for their children. These factors will be considered by us in reaching a decision about the renewal of fixed term tenancies for households with children.
- 5.8. Rural affordable housing stock is scarce and access to market housing to buy and rent in some rural areas can be limited and more expensive. We will take this into consideration when deciding whether to renew a tenancy in a rural area.
- 5.9. We will also take into consideration recommendations from support workers and other professionals regarding the extension of tenancies for specific vulnerable people.



5.10. When we decide to not renew a tenancy we will;

- Explain the reason(s) for our decision and what will happen next;
- Set out the right to review our decision, including how to seek independent advice and where necessary representation;
- Give at least 6 months notice to leave and then at least 2 months notice to seek possession
- Offer housing advice and assistance to help the household secure alternative accommodation; and
- Where a tenant is asked to move because they under-occupy their home, because they no longer require an accessible home or because we need have asked them to leave for a management reason, we will also;
 - Give them increased priority for re-housing through our choice based letting scheme; and
 - Make them eligible for our incentive scheme to help with the costs associated with moving to a new home.

6. Demoted Tenancies

- 6.1. We are committed to reducing antisocial behaviour in Melton. Demoted tenancies are a tool we can use to tackle anti-social behaviour by our tenants. Demoted tenancies are similar to introductory tenancies; they have fewer rights and less protection from eviction than a secure or flexible tenancy.
- 6.2. We can apply for a court order to demote a tenancy on the grounds of anti-social behaviour, if a tenant or someone who lives with a tenant or visits regularly has behaved antisocially or caused nuisance in the area, threatened to do so or used their home for illegal activities such as drug dealing.
- 6.3. If we apply for a demoted tenancy then we will write to the tenant to let them know that we are seeking a court order to demote their tenancy setting out the reasons why we are seeking it. Tenants will have the right to ask for a review of the decision to demote their tenancy.
- 6.4. If the court agrees to demote the tenancy then a demoted tenancy agreement will be issued, explaining the tenants' rights and responsibilities while their tenancy is demoted. If the terms of the demoted tenancy are met then the tenancy will revert back to a secure or flexible tenancy, usually after 12 months. If the terms of the demoted tenancy are not met then we can start action to evict the demoted tenant.
- 6.5. Flexible tenants who successfully complete a demoted tenancy will normally be given a 2 year fixed term tenancy or a tenancy to the end of their original fixed term, whichever is longest. This will be set out in writing before the demoted tenancy comes to an end. If you are a flexible tenant, a history of antisocial behaviour may result in your tenancy not being renewed, even if your tenancy is not demoted.

7. Non-secure Tenancies

- 7.1. We sometimes need to house people on a temporary short term basis, when we need to do this we will use a non-secure tenancy. Non-secure tenancies do not offer any security of tenure and can be ended simply by serving a notice to quit. They offer limited rights and tenants can be evicted if they fall into two or more weeks rent arrears.
- 7.2. We will use non-secure tenancies to provide emergency and temporary housing to homeless households in accordance with our homelessness duties. Non-secure homeless tenants are expected to actively look for more suitable accommodation; this will include bidding for properties via our choice based lettings scheme or renting a home in the private sector.

8. Appealing Tenancy Decisions

- 8.1. When we make a decision about a tenancy we will write to the tenant (or prospective tenant) to let them know the reasons for our decision, what will happen next; and how they can ask for the decision to be reviewed.
- 8.2. If a tenant does not agree with a decision in respect of their tenancy they can ask for us to review our decision. A review will always be undertaken by a senior officer who was not involved in the original decision.
- 8.3. Circumstances in which an appeal can be submitted include decisions;
 - about the length of a flexible tenancy;
 - to not renew a flexible tenancy;
 - to end or extend an introductory tenancy;
 - to demote a tenancy;
 - to refuse a mutual exchange.

9. Protected Security of Tenure

- 9.1. Existing tenants who have a secure or assured tenancy which started before 1 April 2012 have a protected right to a secure tenancy. This means if they mutually exchange or transfer a property normally let on a flexible tenancy they would be entitled to a secure or assured tenancy. This protection relates specifically to security of tenure and not the type of rent they will be charged.
- 9.2. Tenants whose tenancy commenced after 1 April 2012 do not have this right, if they choose to move to a home which is normally let on a flexible tenancy they will be given a flexible tenancy.
- 9.3. In exceptional circumstances we may offer a secure or assured tenant, who does not have a protected right, a secure tenancy when they move to a home normally let on a flexible tenancy, for example, when we are asking the tenant to move for management reasons.
- 9.4. A tenant with a protected right of security will only be able to retain this security once because should they ever transfer or exchange their tenancy again it would have commenced after 1 April 2012.

10. Affordable Rent

- 10.1. We are committed to meeting the housing needs of our community and recognise the need to provide more affordable homes to rent. As the biggest landlord of affordable homes in Melton, it is important that we make the best use of our stock as well as maximise the use of our resources to provide new affordable homes. Our Housing Asset Management Strategy sets out our long term aims in this respect. Affordable rent will help us to increase our investment in housing and provide more affordable homes over the long term. It will also help us to access grant funding to build new affordable homes.
- 10.2. The council will not convert any of its social rent homes to an affordable rent. The council will however seek an affordable rent where appropriate on new homes that they build or acquire. We will take a scheme by scheme approach; we will consider;
- The overall availability of affordable homes by location, size, property and rent type;
 - Affordability and the impact of any care or support costs associated with the accommodation;
 - Overall scheme viability; and
 - Our wider strategic aims to provide more affordable homes.
- 10.3. Affordable rent tenancies will be clearly marked as such. The affordable rent will be set at 80% of the market rent for that home, however to ensure affordability we will;
- Not charge more than the Local Housing Allowance for the Broad Rental Market Area in which the property is located;
 - Ensure that the 80% affordable rent is inclusive of all service charges; and
 - Cap the affordable rent at no more than £20 per week more than the social rent would have been.
- 10.4. All housing let at an affordable rent will be let on flexible tenancies. This allows the affordable rent to be rebased whenever the tenancy is renewed or re-let and ensure that it remains in line with market rents.

11. Mutual Exchange

- 11.1. Tenants with a secure, assured or flexible tenancy have the right to assign their tenancy with another tenant, subject to the landlord's approval. This is called a mutual exchange. No new agreements are signed as each tenant 'takes over' the other tenant's tenancy.
- 11.2. We support mutual exchanges. We recognise their role in helping us to make the best use of our housing stock as well as helping households' meet their own housing needs. Tenants can register their interest in mutual exchanging their home and find a swap partner through the national [homeswapper website](#), which holds information on housing association and council housing homes available to mutually exchange in Melton and across the country.
- 11.3. We can only refuse permission for a mutual exchange on specific grounds (set out in 92 Schedule 3 of the Housing Act 1985, Section 15 of the Housing Act 1988 (as amended), Schedule 14 of the Localism Act 2011). We will always set out our decision in writing within 42 days of receiving a request. Tenants can ask us to review our decision if we decide not

to grant a mutual exchange. Circumstances in which a mutual exchange is unlikely to be approved include;

- When a tenant is in breach of the terms of their tenancy, including rent arrears
- When possession proceedings have begun or a court order has been granted to give possession of the property;
- Where the home is designated for use by a specific type of household, for example, swapping a wheelchair adapted home with a tenant whose household does not have a need for such adaptations; or
- When a mutual exchange would lead to under-occupation, in such cases a three way exchange might be suggested as an alternative.

11.4. It is important that tenants who intend to mutually exchange understand that they will be accepting their new home as it is in terms of its condition, its rent and its tenancy agreement. It is important to understand the terms of the assigned tenancy agreement, particularly if it is a flexible tenancy. When a tenant agrees to swap with a flexible tenant it will normally take place by deed of assignment and the new tenant will take on the unexpired part of the flexible tenancy when they exchange.

11.5. If a secure or assured tenant wants to exchange with a flexible tenant they will lose their 'lifetime' security of tenure, this includes those with a protected security of tenure because all our flexible tenancies will be let at an affordable rent (protected secure and assured tenants whose tenancy commenced before 1 April 2012 are offered certain protections but not if they choose to move to a home let at an affordable rent). We reserve the right to offer existing secure tenants a secure tenancy in exceptional circumstances, for example, where we ask the tenant to move.

11.6. If there is less than 2 years remaining on a flexible tenancy we may suggest that the tenancies are exchanged via surrender and re-granting of new tenancies. This is to ensure that the flexible tenancies are granted for at least a 2 year minimum period.

12. Discretionary Succession Rights

12.1. There is only a statutory right for one succession to a spouse or partner. Additional contractual succession rights can only be granted by a landlord if they are set out in their tenancy agreement.

12.2. In order to promote the best use of our housing stock, we will not grant additional contractual tenancy succession rights. We will however offer housing advice and assistance and include criteria in our allocations policy to increased priority for re-housing for eligible persons (where they qualify to join the housing register, have no legal right to succeed and have lived with the tenant for at least 12 months.)

12.3. Tenants whose tenancy commenced before the 1st April 2012 have different statutory rights which include a right of succession for other family members (who have lived with the deceased tenant for at least 12 months prior to the tenant's death).

Appendix A: Flexible Tenancy – Non Renewal Criteria

Criteria	Considerations
Rent Arrears	<p>We will consider the level of rent arrears and any other housing related debts and whether the tenant has made (and is keeping to) an arrangement to clear them. We will consider cases of genuine hardship on a case by case basis.</p> <p>We will not normally renew a flexible tenancy where the tenant has rent arrears sufficient to disqualify them from our choice based letting scheme. This is currently set out in our allocations policy as rent arrears of more than £300 without a repayment plan in place with at least 12 weeks consecutive repayments.</p>
Breaking Other Tenancy Terms Including (Anti-Social) Behaviour	<p>History of any behaviour or failing to meet any of the tenancy conditions that is likely to result in the granting of an outright possession order on any ground.</p> <p>This can apply to any of the terms of the tenancy, including anti-social behaviour. This will include when a tenant or someone who lives with a tenant or visits regularly has behaved antisocially or caused nuisance in the area or threatened to do so, used their home for illegal activities such as drug dealing, or posed a threat to neighbours, the community, our staff or our contractors.</p>
Housing and Benefit Fraud	<p>We will not normally renew a flexible tenancy where there is evidence that the tenant has illegally sublet their home, committed benefit fraud or obtained their tenancy by deception.</p>
Property Type and Size	<p>Under occupation: We will not normally renew a flexible tenancy where the household is under-occupying their home by one or more bedroom.</p> <p>We will determine this by using the bedroom need criteria as set out in our allocations policy. We will also have regard to the relevant exemptions in our allocations policy, including; a need for an extra bedroom for a carer, for those with access to children, those who foster children, and for armed service personnel on deployment. We will take into consideration the availability of alternative suitable housing in such cases before making a decision not to renew a tenancy on these grounds</p> <p>Accessible Housing: We will not normally renew a flexible tenancy where the property is a wheelchair accessible or adapted property and no member of the household requires such adaptations or accommodation. This will only apply to wheelchair adapted or other accessible properties which are categorised as mobility category A or B in accordance with our allocations policy as these homes are specifically allocated to households in need of such adaptations.</p> <p>We will take into consideration the availability of alternative suitable housing as well as long term future needs for such adaptations before making a decision not to renew a tenancy on these grounds.</p>
Management Need	<p>We will not normally renew a flexible tenancy where there is a Management need for the property. This may include demolition or major works which would require the property to be vacated.</p>

<p>Ability to Access Market Housing</p>	<p>Income: We will not normally renew a flexible tenancy if the households income is sufficient to secure market housing to rent or buy on the open market. We will determine this by using the affordability calculations set out and annually updated in our allocations policy, this is currently a gross household income of £50,000 or more.</p> <p>Savings and Equity: We will not normally renew a flexible tenancy if the households combined saving and/or equity is sufficient to secure market housing to rent or buy on the open market. We do not wish to penalise households from making long term decisions to save. We will determine this by using the higher equity level as set out and annually updated in our allocations policy, this is currently £31,000. Modelling suggests that this figure is sufficient for most tenants to purchase their home through the Right to Buy scheme (assuming a 35% discount, 5% interest repayment mortgage over 25 years with mortgage repayments at the same cost as an affordable rent).</p> <p>When making decisions on a tenant's ability to access market housing we will take into consideration the availability and affordability of market housing that meets their housing needs, this may include;</p> <ul style="list-style-type: none"> • A need for adapted/specialist housing not available or affordable on the open market; • Individual factors (poor credit rating, religious financial restrictions) which are likely to restrict access to market housing options. • Specific affordability issues or a lack of suitable market properties within a ward area, where there is a need to remain in the local area e.g. school, work or to give or receive care or support. • Valid reason to disregard savings or equity (e.g. complex inheritance)
<p>Other Exceptional Circumstances</p>	<p>There may be other exceptional reasons why a tenancy should not be renewed. Examples might include where the tenant lacks the mental capacity to enter into a new tenancy agreement or when the tenant refuses to co-operate with the tenancy review.</p>
<p>Special Considerations for Vulnerable People</p>	<p>We will consider the impacts on vulnerable people in accordance with our homelessness duty. Specifically whether a decision to not renew the tenancy would render the household homeless, where by the council would then have a duty to provide accommodation (i.e. homeless, vulnerable and not intentionally homeless). This will include households with children.</p> <ul style="list-style-type: none"> • We will consider supporting documentation from support workers and other professionals to support the renewal of a tenancy at current or an alternative property. • We may take into consideration care needs, access to support services and adaptations to a tenant's home. <p>Households whose tenancies are not renewed because they have failed to meet the terms of their tenancy (e.g. rent arrears or anti-social behaviour) or because they have committed housing or benefit fraud may be considered as intentionally homeless. The outcome of this may be additional steps to assist the household to find new more suitable home and not necessarily mean that their tenancy should be renewed in their existing property.</p>