
Fixed Term Tenancy Review

Update October 2022

1. Background

- 1.1 The Localism Act 2011 (the Act) permitted Local Authorities who own affordable housing stock and Registered Providers (RPs) to let their general needs affordable rented properties under Assured Shorthold Fixed Term Tenancies (FTTs). Previously RPs were required to use assured tenancies.
- 1.2 As required by the Act, Bedford Borough Council (the Council) produced and adopted a Tenancy Strategy 2014–2017 (the Previous Strategy) which was updated and replaced by the [Tenancy Strategy 2019 - 2024](#) (the Existing Strategy). The Executive Summary and Introduction (Sections 2 and 3) to the Existing Strategy explain the Council's position and the reasons for it, how it applies to RPs and what FTTs are / how they operate. That information is not repeated here. However, of particular note in relation to this updated review is:
- The Council does not own its own affordable housing, having transferred its stock to Bedfordshire Pilgrims Housing Association (now bpha) in 1990.
 - The Act does not oblige RPs to introduce FTTs, merely allowing them to do so at their discretion.
 - RP tenancies that existed prior to the Act were not affected.
 - The Existing Strategy advises RPs to use FTTs for properties of three or more bedrooms and property specifically adapted for people with disabilities.
 - The Council cannot require RPs to follow the Council's recommendations for when FTTs should be used. Councils' Tenancy Strategies are advisory only, for RPs to take into consideration when formulating their own tenancy policies if they so choose.
- 1.3 Paragraph 2.16 of the Existing Strategy states that an annual review of FTTs will be undertaken. The purpose of this is to gain a better understanding of:
- whether (and if so how many) RPs have introduced FTTs
 - whether (and if so how) the introduction of FTTs has impacted on tenants
 - how RPs have responded to the Existing Strategy and
 - what additional work, if any, might be required in the future to further understand the above
- 1.4 An initial review was completed in [October 2019](#). It found that only six responding RPs owning general needs affordable rented properties

in the Borough were offering FTTs, of which three were planning to stop using them. It was agreed that due to the length of time FTTs are effective for, a further review would not be held until October 2022. This update supplements the 2019 review with information covering the period April 2019 to October 2022.

- 1.5 In Autumn 2022, RPs who own general needs affordable rented properties in the Borough were contacted again and asked to provide up-to-date information on:
- whether they let those properties using FTTs
 - if so, how many were granted and for what size and type of property
 - whether any of those properties were specifically adapted for those with physical disabilities
 - what policies they had for tenants whose FTT had ended
- 1.6 After initial non-responders were chased, 12 responses were received. The 12 RPs who responded account for 94.6% of the general needs affordable rented housing stock in the Borough. The data received was collated, with that already collected for previous years, and analysed. Findings, conclusions and recommendations are set out below.

2. Findings

- 2.1 All but one of the RPs who responded in October 2022 indicated that at that date they do not let property under FTTs. This includes bpha (who owned 66% of the general needs housing stock in the Borough at March 2022) who stopped letting properties under FTTs from 2020/21.
- 2.2 At October 2022, Sage was the only RP letting general needs affordable rented properties under FTTs. Sage let a total of 26 properties using FTTs between April 2019 and March 2022 – none of which had come to the end of their fixed term in October 2022.
- 2.3 Table 1 shows those responding RPs who issued FTTs and the number of FTTs they issued by year in the Borough since the Previous Strategy was published in 2014. Those who responded to the survey in 2019 indicated that only five FTTs were issued in 2014/15. The figures notably increase in 2017/18 when bpha began to use FTTs, with 620 issued that year. The number of FTTs issued reduced significantly in 2019/20, with only bpha (158) and Sage (16) issuing any. In 2021/22, only two FTTs were issued; both by Sage who are now the only RP known to be using FTTs.

Table 1: Number of Fixed Term Tenancies Issued by Year by Responding RPs

RP	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	Total
Bpha*	0	0	0	590	463	158	0	0	1,211
Grand Union*	1	2	2	0	0	0	0	0	5
Guinness*	0	10	7	17	9	0	0	0	43
Hastoe*	0	0	0	4	0	0	0	0	4
Paradigm*	0	0	6	7	39	0	0	0	52
Settle Group*	4	0	1	2	3	0	0	0	10
Sage	0	0	0	0	0	16	8	2	26
TOTAL	5	12	16	620	514	174	8	2	1,351

*As at October 2022, these RPs no longer offer FTTs
 NB RPs who indicated that they have never used FTTs are not included in Table 1

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- 2.4 Table 2 shows the number of FTTs issued by responding RPs by bedroom size and by year since April 2014. The majority (78.9%) of FTTs issued were for one and two bedroom properties. Of the FTTs issued since 2014/15, 17.5% were for three-bedroom properties, 2.0% for four-bed properties and 1.6% for five+ bedroom properties, a total of 21.1%.
- 2.5 Whilst this appears to be contrary to the advice given in the Council's Strategies (see 1.2 above) it is likely that RPs were letting all property under FTTs and not differentiating based on bedroom size or the presence of adaptations for those with disabilities.
- 2.6 Most RPs work regionally or nationally and different Councils' Strategies will offer different advice. It is unlikely to be feasible for RPs to implement different Tenancy Policies in different local authority areas given that following Councils' advice is not a legislative requirement.

Table 2: FTTs Issued by Bedroom Size by Year

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	Total
1 bedroom	1	1	7	248	213	56	0	0	526 (38.9%)
2 bedroom	4	9	8	251	193	67	6	2	540 (40.0%)
3 bedroom	0	2	1	103	78	50	2	0	236 (17.5%)
4 bedroom	0	0	0	13	13	1	0	0	27 (2.0%)
5+ bedroom	0	0	0	5	17	0	0	0	22 (1.6%)
TOTAL	5	12	16	620	514	174	8	2	1,351

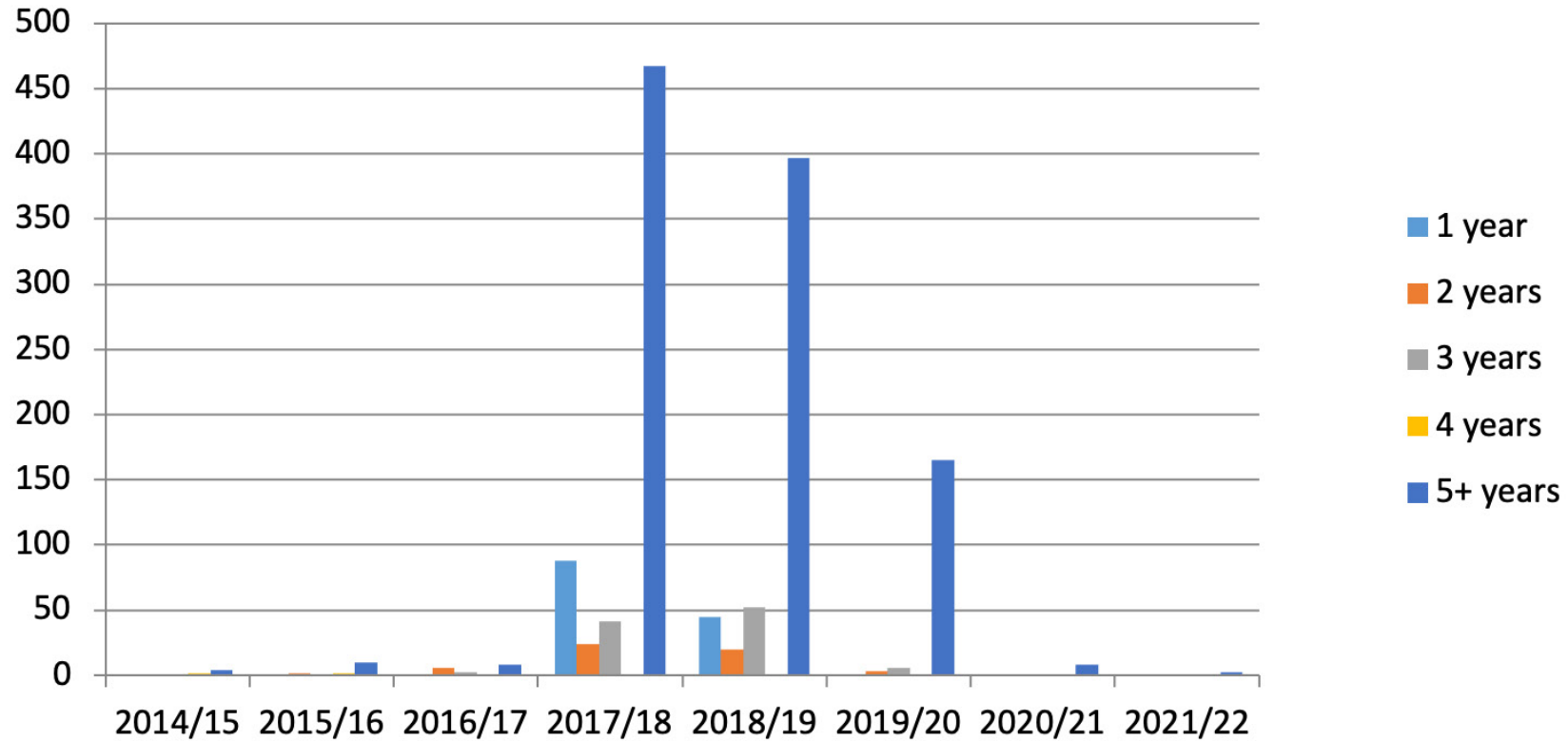
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- 2.7 In October 2022, only Sage was able to confirm whether any of the FTTs issued by them were specifically adapted for those with disabilities. This is because they have a limited stock in the Borough, none of which is adapted for those with physical disabilities. The other responding RPs stated that they were unable to provide this information.
- 2.8 Table 3 shows the number of FTTs issued by responding RPs by length of tenancy, by year. Figure 1 shows this in diagrammatic form. Both the Previous Strategy and the Existing Strategy recommend that the term of a FTT be no less than five years. Responses show that between April 2014 and March 2022 78.5% of the FTTs issued were for five years or more. 10% of the FTTs issued were for one year.
- 2.9 As most FTTs were issued for a five-year period, at October 2022 some tenants were likely to still be renting under a FTT. However, once these tenancies end all RPs apart from Sage indicated that they intend to offer existing tenants new assured tenancies. New tenants may be offered starter tenancies.

Table 3: FTTs Issued by Length of Tenancy by Year by Responding RPs

	2014/15	2015/16	2016/17	2017/18	2018/2019	2019/20	2020/21	2021/22	Total
1 Year	0	0	0	88	45	0	0	0	133
2 Year	0	1	6	24	20	3	0	0	54
3 Year	0	0	2	41	52	6	0	0	101
4 Year	1	1	0	0	0	0	0	0	2
5+ Years	4	10	8	467	397	165	8	2	1,061
Total	5	12	16	620	514	174	8	2	1,351

Figure 1: FTTs Issued by Length of Tenancy by Year by Responding RPs



2.10 Only a relatively small number of households granted a five-year FTT in 2019/20 by bpha or Sage are likely to still be on a FTT when the period covered by the Existing Strategy ends in 2024 as those issued prior to 2019/20 will have reached the end of their fixed term by then.

3. Conclusions

Based upon the results of the 2019 FTT review and the update undertaken in October 2022 it can be concluded that:

- 3.1 Sage is now the only RP operating in the Borough known to be using FTTs. Sage owns only 26 affordable rented properties in the Borough – under 1% of the general needs affordable rented stock – and does not have a significant development pipeline.
- 3.2 The extremely limited use of FTTs by RP partners mean they are unlikely to contribute to increasing the availability of larger and / or properties specifically adapted for those with disabilities going forward.
- 3.3 When FTTs were in more general use, in line with the Council’s advice in the Previous and Existing Strategies, they were predominantly issued for a period of at least five years.
- 3.4 Despite the Council’s advice in its Previous and Existing Strategies, those responding RPs who have issued FTTs did not differentiate the type of tenancy on the basis of property bedroom size or the presence of adaptations for those with disabilities.

4. Recommendations

- 4.1 Due to respondents indicating that there is a very limited use of FTTs in the Borough going forward, no further review should be undertaken during the period covered by the Existing Strategy, which expires at the end of 2024.
- 4.2 When the Council’s next Tenancy Strategy is drafted it should reflect the latest guidance, the findings of the 2019 review and this update.