

## Fixed Term Tenancy Review – October 2019

### 1. Introduction

- 1.1 The Localism Act 2011 introduced Assured Shorthold Fixed Term Tenancies (FTT) for social housing including both Local Authority and Registered Provider (RP) housing.
- 1.2 These tenancies are not mandatory and the change does not affect existing tenancies.
- 1.3 In line with the Localism Act 2011 Bedford Borough Council has produced a Tenancy Strategy 2019-2024. As the Council transferred its housing stock to bpha in 1990, the strategy sets out guidance for the Registered Providers (RPs) of social housing in the Borough outlining the priorities of the Council they should be taking into account when formulating their own tenancy policies.
- 1.4 The Tenancy Strategy at paragraph 2.16 states that a review will be completed annually of Assured Shorthold FTTs. The purpose is to gain a better understanding of how the introduction of FTTs has impacted on tenants, how RPs have responded to the Council's Tenancy Strategy and establish what further work might be required in the future.
- 1.5 All 17 RPs operating in Bedford Borough were contacted in compiling the Review. Of these, 59% (accounting for 70% of Bedford Borough's social housing stock) returned their questionnaire including bpha who is the largest RP operating in the Borough (accounting for 66% of Bedford Borough's social housing stock). The data received has been collated and analysed. Conclusions and Recommendations are set out at the end of this Review.

### 2. Statistics

- 2.1 Most RPs operate across a number of local authority areas. Information on FTT was requested for properties in Bedford Borough only.

2.2 Ten RPs responded to the request for information, of which four stated they do not offer fixed term tenancies (FTT) and three stated that they did but no longer do so. This leaves three of the responding RPs who are currently continuing to offer FTT.

2.3 Of the three RPs no longer offering FTT Grand Union stated that the reason for not continuing with them was in response to customer feedback and research revealing that FTTs were seen to be negatively impacting on tenants by undermining their sense of security and belonging in their homes and communities.

2.4 Figure 1 shows the number of FTT that have been issued in Bedford Borough since the council's first Tenancy Strategy published in 2014. Just five FTT were offered in 2014/15. The figures notably increase in 2017/18 when bpha began to offer FTT, with 620 issued that year.

2.3 Of the 1167 fixed term tenancies issued between 2014/15 and 2018/19, 620 were in 2017/18 and 514 in 2018/19. As 76% of FFT offered have been for 5 years, it is unlikely therefore, that most of these will end before 2022/23.

2.4 Due to the extremely small numbers of FFT granted in prior to 2017 / 2018, no definitive conclusions can be drawn as to their impact or effectiveness until those issued in 2017 / 2018 start to reach the end of their fixed term.

Figure 1: Number of Fixed Term Tenancies offered

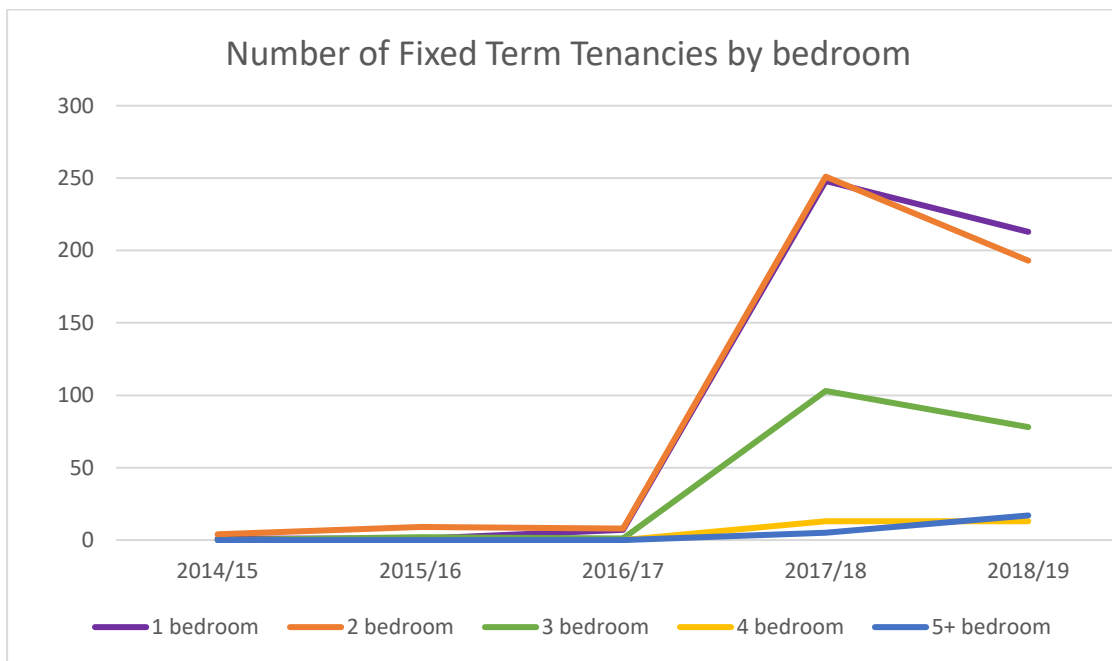
<b>RP</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>Total</b>
bpha	0	0	0	590	463	1053
Grand Union*	1	2	2	0	0	5
Guinness*	0	10	7	17	9	43
Hastoe	0	0	0	4	0	4
Paradigm	0	0	6	7	39	52
Settle Group*	4	0	1	2	3	10
<b>TOTAL</b>	<b>5</b>	<b>12</b>	<b>16</b>	<b>620</b>	<b>514</b>	<b>1,167</b>

\*These RPs no longer offer Fixed Term Tenancies

2.5 Of the total fixed term tenancies figure 2 shows the breakdown of the number of bedrooms they were offered for. The majority (80%) of FTT have been to one and two bedroom properties. This contradicts the Council's Tenancy Strategy 2019-2024 and the previous strategy 2014-2017 which recommended that FTT should be used for properties with three bedrooms and more. 16% of FTT were used for 3 bedroom properties.

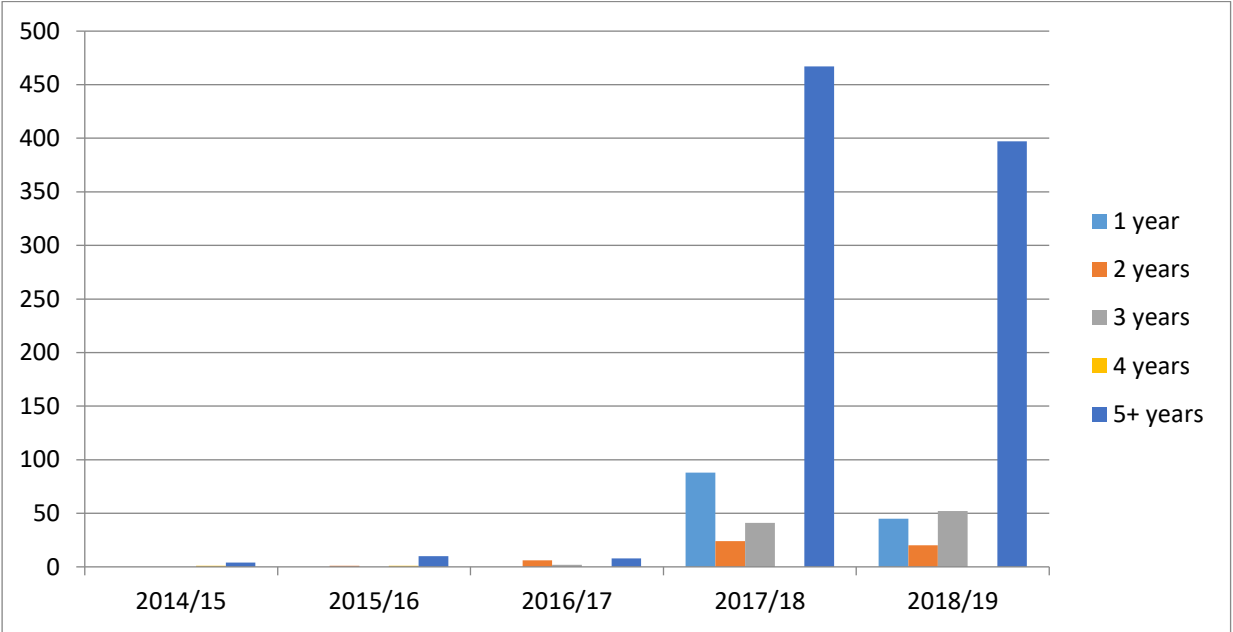
2.6 Both bpha and Grand Union stated that there was not a particular focus on offering FTT to one and two bedroom properties it was just that there had been a higher turnover of this stock and they had deemed it appropriate to issue FTT to them.

Figure 2: Fixed Term Tenancies by number of bedrooms



- 2.7 None of the RPs reported any of the FTT to be an adapted property; bpha stated that it was not possible to provide this information, however they will consider collecting this information when they complete the review of their allocation processes. This information would have been useful to assess how many FTT were given because people were renting an adapted property and how many were not renewed at the end of the fixed term as this type of accommodation was no longer required by the tenant.
- 2.8 Of the FTT figure 3 shows the length of time each tenancy was granted for. Government guidance and the council's Tenancy Strategy recommend that FTT are given over a five year period. 76% of the FTT offered were for a five year period. 11% were for just one year and will have been offered for similar reasons as a starter tenancy, as a trial period for new tenants to ensure they keep to their responsibilities, such as paying their rent on time, allowing access for repairs and safety checks and not causing a nuisance.

Figure 3: Length of time for FTT



2.9 90 of the FTT ended before their end date. The reasons for these are stated in figure 4. Unfortunately, bpha were not able to provide the reasons for those classified as ‘other’ however, they have stated that they will be removing the ‘other’ category from their system in order to improve the quality of the data in future. Ten ended due to a mutual exchange, six were evicted because of rent areas, six transferred to another property and four were because the tenant died.

Figure 4: Reason for FTT ending before their end date

	<b>bpha</b>	<b>Grand Union</b>	<b>Guinness</b>	<b>Hastoe</b>	<b>Paradigm</b>	<b>Settle Group</b>	<b>Total</b>
Evicted for rent arrears	6				0		<b>6</b>
Evicted for ASB	3				0		<b>3</b>
Property abandoned	1				0		<b>1</b>
Tenant moved	0		1	1	0	1	<b>3</b>
Tenant transferred to another property	5		1		0		<b>6</b>
Mutual Exchange	8	1			0	1	<b>10</b>
Tenant died	4				0		<b>4</b>
Other	57				0		<b>57</b>
<b>TOTAL</b>	<b>84</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>2</b>	<b>90</b>

2.10 Paradigm were the only other RP to report any FTT ending due to their term coming to an end. They stated that all 21 tenants have continued in the same property on another FTT. The other RPs stated that none of their FTT had come to their end period so this question was not applicable to them.

2.11 Future FTT reviews will pick up these tenancies.

### 3. Findings

3.1 A small number of RPs in Bedford Borough are using FTT but this includes, bpha who have the largest stockholding in the Borough with over 70% of the rented social housing stock.

3.2 FTT are being used for properties of all bedroom sizes but mainly those with one and two bedroom, whereas the Council's Tenancy Strategy recommends that FTT are used on properties with three bedrooms or more.

3.3 As stated at 2.5 some RPs have issued FTT on one and two bedroom properties. They informed us this is due to these being the highest turnover in Bedford Borough. However, it is possible some RPs are using FTT to manage particular client groups and it is recognised in the strategy that with single non-working households under 35 only being entitled to the Local Housing Allowance single room rate in the private sector, demand for social rented accommodation has increased for this group. .

3.4 The majority (76%) of FTT are being offered for five years which is in line with the Council's Tenancy Strategy. This helps to encourage security and stability in the social housing sector.

3.5 7.7% of FTT offered since 2014/15 ended before the term has ended. RPs have been encouraged to provide reasons for 'other' in future reviews and bpha have stated that they will be removing the 'other' category from their systems.

3.6 Only a small a proportion of FTT (1.8%) have ended due to their term ending. Reviews in future years will pick up higher numbers of FTT that are currently still continuing, particularly in 2022/23.

3.7 Due to the small number of FTT that have reached the end of their term under occupation was not monitored in this review. It will however need to be monitored in future reviews.

#### **4. Conclusion**

4.1. The first fixed term tenancies were implemented by RP partners in 2014 / 15 following the introduction of the Localism Act 2011. The Council's Tenancy Strategies have advised RPs on when and how these should be applied to new tenancies in Bedford Borough. However, RPs have implemented their own Tenancy Policies which, although broadly in line with the Borough's advice, have some key differences. For example, bpha, the majority affordable housing stockholder in the Borough, do not limit their FTT to the larger property types identified in the Council's Tenancy Strategy. Most RPs have implemented FTT for the five years advised by the Council and so the first of these have only recently come to an end. It is, therefore, currently too early to establish the overall impact of the introduction of FTT in Bedford Borough.

## **5. Recommendations**

- 5.1. To undertake a full review of the use of FTT by RPs in Bedford Borough in 2022/23 due to the limited number of FTT that have been issued before 2017/18.
- 5.2. To monitor the number of FTT given to tenants within properties of varying bedroom sizes.
- 5.3. To monitor the length of time FTT are given.
- 5.4. To monitor the number of FTT that end both before they are due to and those that end after the term has finished.
- 5.5. To monitor FTT ending due to underoccupation.
- 5.6. Request that all RPs gather clear information about the reasons why a FTT has ended.
- 5.7. Request that all RPs gather information relating to the number of FTT that have been issued for adapted properties.