

Tenancy Policy



Lead Director: Executive Director of Communities and Regeneration

Reference: POL 19

Version date: August 2023

Review Date: August 2025



1 Introduction & Aim

- 1.1 The Tenancy Policy sets out the types of tenancies that Cobalt will offer across our housing stock to which customer groups and in which circumstances. We acknowledge that we are the majority landlord in our core neighbourhoods and that social housing is a limited resource. Our policy therefore must reflect our neighbourhoods, stock and our customers.

The aim of this policy is to provide:-

- A broad framework of the types of tenancies that Cobalt will provide and the circumstances in which each type will be offered.
- How tenancies can be ended and when housing options advice will be provided.
- An overview of mutual exchanges and successions.

This policy supports both the Neighbourhood and the Tenant and Customer Experience Strategies, covering the tenancy types and products we will offer to new and existing customers.

2 Policy Statement

- 2.1 The Tenancy Standard, one of the Regulator of Social Housing's (RSH) Consumer Standards, requires Registered Providers (RPs) to publish a Tenancy Policy. The standard includes that we should outline our approach to the tenancies we offer and also that the policy takes into account the Local Authority's Tenancy Strategy.
- 2.2 It also enables Registered Providers (RP's) to offer homes on an affordable rent and/or fixed term basis, as well as more traditional types of tenancies. The Tenancy Standard provides that RPs should issue tenancies that are compatible with the:
- Purpose of the accommodation
 - Needs of the individual households
 - Sustainability of the community
 - Efficient use of their housing stock.
- 2.3 Relevant legislation to be considered;
- Housing Act 1985 – contains the grounds that landlords must prove to gain possession for secure tenancies and includes the rights of secure tenants.
 - Housing Act 1988 – contains the grounds that landlords must prove to gain possession and includes the rights for assured and assured shorthold tenants.
 - Housing Act 1996 (Section 170) – which sets out the duty of RPs to co-operate to such an extent as is reasonable in offering accommodation to those in priority need under the Local Authority's allocation scheme.
 - The Localism Act 2011 which allows RPs the flexibility to offer different types and lengths of tenancies.
- 2.4 In addition to being a requirement by the Regulator of Social Housing (RSH), this

policy sets the framework through which our customers and housing management teams can understand the tenancies we offer and in which circumstances.

- 2.5 Liverpool City Council, our key local authority partner have a Tenancy Strategy and this policy takes into account the aims of the strategy and ensures that our approach to tenancies is in keeping with their expectations.
- 2.6 This policy covers all lettings made by the organisation and the overarching legal rights conveyed by tenancy agreement to varying types of customers.

3 Policy Principles

- 3.1 The policy principles are developed through relevant Government legislation and Statute Law and also the rights granted to transferring tenants from our stock transfer from Liverpool City Council.

4 Tenancy Types

- 4.1 Starter Tenancy (Assured Shorthold Tenancy) leading to an Assured Tenancy

The majority of new customers will be granted a Starter Tenancy (Assured Shorthold Tenancy), which will last for an initial period of 12 months before, providing there have been no serious breaches of the agreement, we will convert it into an Assured Tenancy. The initial 12 month starter period can be extended.

- 4.2 **Assured tenancy**

Assured tenancies are offered to customers who are moving home and currently already hold an assured tenancy. An Assured Tenancy is a form of 'lifetime' residential Tenancy in England and Wales that grants a degree of security of tenure to the tenant. A tenant under an Assured Tenancy may not be evicted unless we have obtained a court order on one of the grounds listed in schedule two of the 1988 Housing Act.

- 4.3 **Protected Assured tenancy agreement**

This agreement is used solely for tenants who transferred over to Cobalt from Liverpool City Council as part of the stock transfer in 2003. This agreement was drawn up to replace the previous secure tenancy. The agreement contains contractual rights that replicate some of the statutory rights of secure tenants (such as the right to buy), that are not granted in any of Cobalt's other agreements.

All tenants who are signed up to this agreement retain their tenancy terms and conditions for as long as they remain a Cobalt tenant. An existing protected assured tenant of Cobalt will be granted a protected assured tenancy if they transfer within Cobalt's stock. This is the only situation in which a new protected assured tenancy will be granted. The only exception to this would be if they choose to transfer to a market rent product.

4.4 **Secure Tenancy**

Some of Cobalt's tenants transferred over from Liverpool Housing Trust (LHT) as part of a stock transfer in December 2003. Those that were secure tenants with LHT at this point in time retained a secure tenancy. Those on assured tenancies retained an assured tenancy.

The right to remain a secure tenant remains as long as the tenant remains a Cobalt tenant. This type of tenancy is not issued to new customers.

A tenant under a Secure Tenancy may not be evicted unless we have obtained a court order on one of the grounds listed in schedule two of the 1985 Housing Act or under the absolute ground for possession (under section 84 Housing Act 1985). If an existing secure tenant of Cobalt is granted a new tenancy by Cobalt, then this will be a secure tenancy. The only exception to this would be if they choose to transfer to a market rent product. This is the only situation in which a new secure tenancy will be granted.

4.5 **Assured shorthold tenancy**

An Assured Shorthold Tenancy is a form of Assured Tenancy with limited security of tenure. An assured Shorthold tenant can be evicted by obtaining a court order following service of a notice requiring possession or by obtaining a court order on one of the grounds listed in schedule two of the 1988 Housing Act.

This type of tenancy will be used in the following instances:

- Where Cobalt has a short leasehold interest rather than a freehold or long leasehold interest in the property
- Intermediate rented properties
- Rent to Buy properties
- Market Rent properties
- Where for asset management reasons it may result in a future disposal of the property
- For temporary accommodation
- The provision of supported housing

5 **Product Types**

5.1 Cobalt will operate five different products to our customers;

- **Social rent** – currently our predominant type based on the social rent formula. Can be used on any tenancy type.
- **Affordable rent** – up to 80% of market rent used mainly for new build homes and can be used on any tenancy type.
- **Market rent** – the market rate used where our product offer is market rented. It will only be used on this product type with an Assured Shorthold Tenancy.

- **Shared Ownership** home ownership product aimed at customers who are unable to afford a home on the open market. Shared Ownership enables a purchase of between 10% and 75% of the homes market value with rent payable of the remaining equity. Rent value should be a maximum of 3% of the value of the property that the landlord owns.
- **Rent to Buy** – products developed as part of our new build schemes with rent set at 80% of the market rent. This product is aimed at customers who are aiming to save for a deposit to purchase a home within the next 5 years.

The methods through which the different rents are calculated are set out in our Rents and Service Charge Setting policy.

6 Mutual Exchanges

- 6.1 Assured and secure tenants have the right to exchange. Each tenant will take over the tenancy type and rent level associated with the other tenancy, regardless of their original tenancy type.
- 6.2 Assured Shorthold tenants do not have the right to exchange.

7 Succession

- 7.1 There are different succession rights, depending on the type of tenancy agreement that has been issued. Starter (assured shorthold) and assured shorthold tenants have succession rights to spouse or partner only, in line with legislative requirements. Customers should refer to their individual tenancy agreement in conjunction with Cobalt's Assignment Policy to determine their succession rights.

8 Monitoring

Cobalt will monitor the use of the varying types of tenancy through management audits. This policy will be reviewed if there are any future changes to Government legislation that necessitate changes to our tenancy types.

9 Risk Management

- 9.1 Failure to have an accurate Tenancy Policy which is in line with Government legislation and complements our local authority partners aims can place us at regulatory risk.

Risk Register Ref:	Risk:
Ref: SD 09	Tenancy and Leaseholder Service Standards - This policy sets out clearly our approach to the tenancies we will offer moving forward.
Risk Consequences:	Management and Mitigation:
<ul style="list-style-type: none">• Services not in line with position taken by local authority partners• Our approach is difficult to manage and administer, making our service inefficient.• Our approach lowers the appeal of our properties against competitors	<ul style="list-style-type: none">• Monitoring of the Neighbourhood PI's and objectives.• Robust annual self-assessment against the regulatory standards.• Effective income management process in place with robust performance monitoring• Teams have been consulted and briefed on the approach from an operational point of view.

In terms of our corporate risks this policy links clearly through to; GOV

02 Regulator relationship
GOV 06 Stakeholder Relationships
GOV 11 Ineffective use of resources
GOV 12 Reputational Damage
FV 10 Tenancy turnover, voids and re-let times

- 9.2 Key Risk Indicators and Control Limits

Key risk indicators for this policy would be stakeholder or regulator concerns about our approach. From an operational point of view the tenancy approach we take could impact on demand for certain products and units. For this reason, void performance would be an indicator.

10 Regulatory & Legislative Compliance

The Tenancy Standard, which is part of the regulatory guidance, requires Registered Providers (RPs) to publish a Tenancy Policy. There is also a requirement that this policy takes account of the Local Authority's Tenancy Strategy.

11 Links to Other Key Documents

Neighbourhood Strategy
Allocations Policy
Assignment Policy
Rents and Service Charge Setting Policy

12 Governance of this Policy

Equality Diversity & Inclusion (ED&I)	This policy was internally Equality Impact Assessed during this process.
Financial and Links to VfM	This policy does not directly impact in terms of income to the business, however it does allow us to apply the appropriate product and corresponding rent to our housing stock ensuring that we generate the maximum amount of rental income.
Privacy and Data Protection	N/A
Health and Safety	N/A
Development and Consultation	Consultation has taken place with internal groups who will be impacted by the policy. This consultation includes our Housing Management, Development and Growth and Finance Teams. Customer consultation has been included as part of the development of this Policy. We have also shared this policy with the local authority as a key partner.
Customer Profiles and Accessing Services Data	N/A
Monitoring and Review	This policy does not directly affect performance but the application of this policy will be monitored through our Customer Leads and Neighbourhood Managers.
Roles & Responsibility	Head of Governance – any required interaction with Regulator. Head of Housing – Communicating this approach to customers, the organisation and key stakeholders. Operational Managers – delivering and applying the policy across our housing management teams.

