



The Rt Hon Grant Shapps MP
Minister for Housing and Local Government

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Dear Consultee,

Implementing social housing reform: consultation on directions to the Social Housing Regulator

I am writing to let you know that, following further consideration, particularly in light of concerns expressed during debate on the tenure reform provisions in the Localism Bill at Lords Committee, we are making a small but important change to our proposed direction to the Social Housing Regulator on tenure.

We have consistently said (and have repeated this in the directions consultation) that whilst, to provide maximum flexibility to best respond to specific circumstances, a minimum tenancy term of two years should be available to registered providers, we would expect the vast majority of tenancies to be provided on longer terms. We are now proposing that this expectation that tenancies of this length should only be used exceptionally should become a requirement within the Tenure Standard itself. If social landlords decide that there are exceptional circumstances where tenancies of less than five years may be appropriate, then they will be required to set out in their tenancy policy what those circumstances will be.

The revised draft tenure direction is annexed to this letter, with changes in bold. When you respond to the directions consultation document, you should do so on the basis that this draft direction represents the Government's proposed text. The consultation document remains unchanged in all other respects, including the consultation deadline of 29 September.

A handwritten signature in cursive script, appearing to read "Grant Shapps".

GRANT SHAPPS MP

Tenure

1.—(1) The Regulator must set a standard relating to types of tenure and relating to the content of registered providers' tenancy policies ("the Tenure Standard").

(2) The Regulator must set the Tenure Standard with a view to achieving, so far as possible, that registered providers issue tenancies which are compatible with the purpose of the accommodation, the needs of individual households, the sustainability of the community, and the efficient use of their housing stock.

(3) The Regulator must also set the Tenure Standard with a view to achieving, so far as possible, that registered providers publish clear and accessible policies which outline their approach to tenancy management, including preventing unnecessary evictions, tackling tenancy fraud and granting discretionary succession rights, and set out—

- (a) the kinds of tenancies they will grant;
- (b) where they grant tenancies for a fixed term, the length of those terms;
- (c) the circumstances in which they will grant tenancies of a particular type;
- (d) any exceptional circumstances in which they will grant tenancies for a term of less than five years⁽¹⁾ in general needs housing following any probationary period.**
- (e) the circumstances in which tenancies may or may not be reissued at the end of the fixed term, in the same property or in a different property;
- (f) the way in which a tenant or prospective tenant may appeal against or complain about the length of fixed term tenancy offered and the type of tenancy offered, and against a decision not to grant another tenancy on the expiry of the fixed term;
- (g) their policy on taking into account the needs of those households who are vulnerable by reason of age, disability or illness, and households with children, including through the provision of tenancies which provide a reasonable degree of stability; and
- (h) the advice and assistance to tenants on finding alternative accommodation they will give in the event that they decide not to reissue a tenancy.

(4) The Regulator must also set the Tenure Standard with a view to achieving, so far as possible, that—

- (a) where registered providers grant general needs tenancies, these are for a minimum fixed term of **five years⁽¹⁾**, **or exceptionally for a minimum term of no less than two years**, in addition to any probationary tenancy period;
- (b) where registered providers use probationary tenancies, these are for a maximum of 12 months, or a maximum of 18 months where reasons for extending the probationary period have been given and where the tenant has the opportunity to request a review;
- (c) registered providers grant those who were social housing tenants on the day on which section 132 of the Localism Act 2011 comes into force, a tenancy with no less security where they choose to move to another social rented home (this requirement should not apply where tenants choose to move to accommodation let on Affordable Rent terms); and
- (d) registered providers grant tenants who have been moved into alternative accommodation during any redevelopment works a tenancy with no less security of tenure on their return to settled accommodation.

⁽¹⁾ This does not apply where registered providers grant periodic secure or assured tenancies