
People Scrutiny Committee

3 December 2025

Report of the Director of Housing and Communities

New Housing Tenancy and Rent Policies

Summary

1. This report proposes two Housing policy documents for future approval by the Executive Member: Tenancy Policy and Strategy (Annex A) and the City of York Living Rent (Appendix A to Annex A).
2. It is a legal requirement for Local Housing Authorities to publish a Tenancy Strategy under the Localism Act 2011. The Tenancy Strategy sets expectations for all social landlords in the city to take into account in their Tenancy Policies.
3. It is an expectation of the Regulator for Social Housing that social landlords have in place an up to date Tenancy Policy. The role of the Tenancy Policy is to set out what types of tenancy City of York itself will issue alongside related matters around succession, mutual exchange, joint tenancies and similar decisions.
4. The proposed Tenancy Policy and Strategy for City of York integrates both approaches, setting out overlapping areas and delineating functions of the Policy and Strategy elements where these are separate.
5. It is important for the council to approve an updated Policy and Strategy as the current document expired in 2018.
6. This final draft proposed for approval which has been through a process of review and amendment with involvement from Housing service managers, the Executive Member for Housing, Planning and Safer Communities, Registered Providers with homes in the City and the council's Tenant Scrutiny Panel.

7. It may be noted that the Tenancy Policy and Strategy addresses tenancy matters only and is limited in scope. A separate review of the Housing Allocations Policy is underway which addresses prioritisation and access to social housing for housing register applicants and residents in housing need.
8. It is also proposed to develop a Rent Setting and Service Charges Policy following on from the Tenancy and Policy Strategy that will sets out the council's existing approach to implementing Government and Regulatory requirements for Housing Revenue Account rent setting, to support consistency of decision making and transparency across the service.
9. This will support the objectives of the Tenancy Policy and Strategy. The proposed Rent Setting and Service Charges Policy prioritises rental income opportunities where these are manageable for tenants, to maximise supply and quality of the council's homes, and access to the government's Social and Affordable Homes Programme (SAHP) 2026-2036.

Background

10. Extensive consultation with stakeholders was undertaken in 2012 to develop the initial Tenancy Strategy, which reflected did the issues raised by the Localism Act 2011 which permitted the discharge of statutory homelessness in the private rented sector and the introduction of Fixed Term and Flexible Tenancies in limited circumstances.
11. In 2024, a new set of Consumer Standards¹ were implemented in the sector by the Regulator for Social Housing. This represents a significant ambition from Government for the social housing sector and extensive work has been carried out across the council and other social landlords in delivering this.

¹ <https://www.gov.uk/government/collections/regulatory-standards-for-landlords>

12. This Tenancy Policy addresses the Regulator's Tenancy Standard² expectations as follows:

[1.3] Tenure [all provisions]

[1.4.1] Registered providers must support relevant tenants living in eligible housing to mutually exchange their homes.

[2.3.1] Registered providers shall publish clear and accessible policies which outline their approach to tenancy management, including interventions to sustain tenancies and prevent unnecessary evictions, and tackling tenancy fraud, and set out:

- a) The type 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 fixed term tenancies for a term of less than five years in general needs housing following any probationary period.
- e) The circumstances in which they may or may not grant another tenancy on the expiry 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.
- h) The advice and assistance they will give to tenants on finding alternative accommodation in the event that they decide not to grant another tenancy.

² <https://www.gov.uk/government/publications/tenancy-standard>

- i) Their policy on granting discretionary succession rights, taking account of the needs of vulnerable household members.

13. The provisions of 2.3.2 – 2.3.6 will also be embedded in landlord service delivery and 2.4.1 – 2.4.4.
14. A refreshed Tenancy Policy and Strategy is now needed for City of York Council to meet its obligations both as a regulated social housing landlord, and as strategic Local Housing Authority.
15. The Government's 2025 Plan, "delivering a decade of renewal for social and affordable housing"³ offers key support for the council's ambitions around housing affordability and tackling poverty and homelessness in the city. Effective rent setting approaches that provide a strategic foundation for investment are key to the Plan and the Rent Setting and Service Charges Policy will present a statement of the council's policy on this.
16. This would entail rent increases at Consumer Price Index + 1% in line with the government's "10 year rent settlement for social housing", alongside additional increases up to £2 per week for for any rents that are below the statutorily defined formula rent for social rent⁴. Formula rents set the standard for social rents across the sector. This responds to a recognised shortfall of investment capacity in the Local Authority landlord sector due to rents below formula rent⁵.

³ <https://www.gov.uk/government/publications/delivering-a-decade-of-renewal-for-social-and-affordable-housing/delivering-a-decade-of-renewal-for-social-and-affordable-housing>

⁴ <https://www.gov.uk/government/consultations/how-to-implement-social-rent-convergence/how-to-implement-social-rent-convergence>

⁵ <https://www.cih.org/news/rent-convergence-updated-analysis-for-the-social-housing-sector/>

Consultation

17. Consultation has been carried out on draft versions of the Tenancy Policy and Strategy as shown in Table A.

Table A: Summary of consultation

Consultation Stakeholders or Group	Responses and any changes made
Registered Provider partners with stock in the City	No substantive responses and no changes proposed
Tenant Scrutiny Committee	Some changes of detail proposed for Tenancy Policy elements, which have been incorporated into final document draft
Housing Senior Management Team meeting	Some changes of detail proposed to fully align approach to service priorities, which have been incorporated into final document draft

18. The approaches to using Fixed Term and Flexible Tenancies in exceptional circumstances only, and the York Living Rent, have been developed through the consultation and member engagement process.
19. Consultation with the Tenancy Scrutiny Panel will be carried out in development of the Rent Setting and Service Charges Policy following this meeting of Scrutiny and ahead of final approval by the Executive Member.

Options

20. The key issues set out in the proposed Tenancy Policy and Strategy are:

Table B: Key Issues Summary, with more detail in Section 2 of the Tenancy Policy and Strategy document

Tenancy Policy and Strategy Key Issue	Reference and any relevant Option Summary
York Living Rent policy approach to the use of Affordable Rent in the city	<p>Option 1 (Recommended): Affordable Rent to be limited to below 80% of market rent through with the York Living Rent reflecting local lower quartile incomes and the Local Housing Allowance (Appendix A of the Tenancy Policy and Strategy)</p> <p>Option 2: Affordable Rent is limited to below 80% of market rent only, at national government policy maximum level – <i>not recommended as likely to be unaffordable for lower income local residents</i></p> <p>Option 3: Affordable Rent is not used in the City – <i>not recommended as it could reduce delivery of rented affordable housing suitable for residents in the highest levels of housing needs, due to reduced development viability</i></p>
Use of Fixed Term and Flexible Tenancies	<p>Option 1 (Recommended): This is proposed for use only in a set of defined criteria that represent exceptional circumstances, to balance security of tenure for tenants alongside making best use of social housing stock (Section 3.6 of the Tenancy Policy and Strategy)</p> <p>There will be a presumption that Flexible Tenancies will be renewed, otherwise tenants will be offered an alternative suitable property provided they are not in breach of their existing tenancy.</p>

Tenancy Policy and Strategy Key Issue	Reference and any relevant Option Summary
	<p>Option 2:</p> <p>It is possible to extend Fixed Term and Flexible Tenancy use to offer short term tenancies to all new tenancies – <i>this is not recommended due to the lack of long term security and limited benefit in stock management for most properties</i></p> <p>Option 3:</p> <p>It is possible to propose no use at all of Fixed Term and Flexible Tenancies – <i>this is not recommended as in some circumstances use would contribute to management of much needed social housing stock</i></p>
The acceptable use of Licences	Licences have a limited range of uses in social housing but are essential in a number of cases that are set out in the proposed final draft document
Registered Providers implementation of relevant aspects of the Renters' Rights Bill	<p>The current usage cases of Assured Shorthold Tenancies by Registered Providers are recognised and the anticipated move to Periodic tenancies in their place is recognised</p> <p>https://www.gov.uk/government/publications/guide-to-the-renters-rights-bill/guide-to-the-renters-rights-bill</p>
Discretionary Succession for surviving non-tenant occupants following bereavement	Some further clarification will be added on this point of the Tenancy Policy and Strategy prior to final approval.
City of York Prisoner Protocol	A review of the Prisoner Protocol will be carried out to align with objectives of the Tenancy Policy and Strategy, and Homelessness and Rough Sleeping Strategy 2024-29.

21. A detailed procedure will be developed for implementation of the approach to process for Fixed Term or Flexible Tenancies, once approval is confirmed for a new Tenancy Policy and Strategy.

22. Under the Recommendation proposed for this report, this procedure would set out use of Fixed Term or Flexible Tenancies only in the exceptional defined circumstances, including where a property serves a very specific need that is met by only a small number of properties within the stock, for example larger properties that have extensive accessibility adaptations. This is to ensure maximum availability of such properties for households with a high need for this property type.

23. For the Rent Setting and Service Charges Policy, the options are:

Recommended: Option 1 – Support the proposal to develop a Rent Setting and Service Charges Policy that maximises investment capacity through rental income, where this is manageable or mitigated for tenants, for example through the welfare benefits system

Option 2 – develop an alternative Rent Setting and Service Charges Policy approach that may restrict future investment opportunities in the quality and supply of council homes

Analysis

24. The Tenancy Policy and Strategy is designed to meet the council's relevant legal and regulatory obligations: the legal requirement for Local Housing Authorities to publish a Tenancy Strategy under the Localism Act 2011, and the expectation of the Regulator for Social Housing that social landlords have in place an up to date Tenancy Policy.

25. The priorities set out in the document also align with the council's strategic objectives by setting a framework for working with Registered Providers across the City to make the best use of social housing stock. This supports the aims of the Homelessness and Rough Sleeping Strategy 2024-29. The York Living Rent approach to Affordable Housing provides a strategic, evidence based approach to rent setting for the Housing Delivery Programme and is intended to support viability of new build developing in that programme.

26. The council's [Housing Charter](#) vision of One Team, Healthy Homes, Better Lives and principles including We Think Forward, We Think Together and We Think You are embedded within the partnership based and wellbeing focused approach taken in this Strategy.

27. The Tenancy and Policy Strategy is intended to align with the council's Regulatory and Statutory obligations and support their delivery.
28. Social rent and affordable rent levels will remain substantially below private rent accommodation under the proposed approach, but investment capacity for increasing the supply of new homes and improving the quality across our stock will be maximised. The government has set out the intention of continuing to mitigate rent increase impacts for the majority of tenants who have low incomes, through the welfare benefits system.

Council Plan

29. Housing affordability is a key challenge for the City, with an average cost of homes around 9 times higher than average earnings and rent levels that are amongst the highest in the north of England. Providing good quality housing to meet the range of needs across the City's residents is recognised as central to the Council's 2023-27 Plan as part of Core Commitments, Affordability and Health and Wellbeing, and to the vision of "One City, for all".

Implications

30. For the Executive Member Decision Session, the following Implications will be provided:
 - **Financial**
 - **Human Resources (HR)**
 - **Equalities**
 - **Legal**
 - **Crime and Disorder**
 - **Information Technology (IT)**
 - **Property**

Risk Management

31. There are no significant risks or challenges identified in approval of this document, although consideration of options and analysis of the approach that is taken are considered in this paper.

Recommendations

32. The Committee is asked to:
- i. Provide feedback on the proposal to ask the Executive Member to approve the Tenancy Policy and Strategy document, appended as Annex A.
 - ii. Provide feedback on the proposal to develop a Rent Setting and Service Charges Policy, building on the City of York Living Rent approach (Appendix A to Annex A) that maximises investment capacity through rental income, where this is manageable or mitigated for tenants, for example through the welfare benefits systems.

Reasons: To achieve legal and regulatory compliance in respect of matters covered by the Tenancy Policy and Strategy, and to achieve the benefits from the proposed document as set out in this paper.

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**Report
Approved**

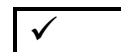


Date 20 November 2025

Specialist Implications Officer(s) – to be included prior to final approval

Wards Affected:

All



For further information please contact the author of the report

Background Papers:

- Regulatory standards for landlords:
<https://www.gov.uk/government/collections/regulatory-standards-for-landlords>
- Social and Affordable Homes programme 2026 to 2036:
<https://www.gov.uk/guidance/social-and-affordable-homes-programme-sahp-2026-to-2036>
- Consultation, July 2025: How to implement social rent convergence
<https://www.gov.uk/government/consultations/how-to-implement-social-rent-convergence/how-to-implement-social-rent-convergence>

Annexes

- Annex A: City of York Draft Tenancy Policy and Tenancy Strategy
 - Annex A - Appendix A: City of York Living Rent
 - Annex A – Appendix B: Informing the Draft Rent Setting and Service Charges Policy; Refusal Grounds for Mutual Exchange

Abbreviations

No abbreviations have been used in this paper.