

REPORT TO CABINET

9th FEBURARY 2026

REPORT OF CORPORATE
MANAGEMENT TEAM

CABINET DECISION

Regeneration & Housing - Lead Cabinet Member – Councillor Richard Eglington

Tenancy Policy

Summary

The Council completed a Large-Scale Stock Transfer (LSVT) of its councils housing stock in 2010 but retained a small number of properties (as detailed in paragraph 1 of this report). Since then these properties have been leased to a local Registered Provider, who issued Assured Shorthold Tenancy Agreements when properties became available for letting. Due to recent changes in this arrangement, the Council is now responsible for issuing appropriate Tenancy Agreements to its current and new tenants. To do this the Council is required to prepare and publish a Tenancy Policy.

A Tenancy Policy sets out the types of tenancy that a landlord will issue to its tenants and the principles and processes that will be followed in granting and ending tenancies.

Reasons for Recommendation(s)/Decision(s)

To ensure compliance with relevant legislation and provide transparency in the types of tenancy that will be offered by the Council. A Tenancy Policy will support the effective use of the Council's housing stock (current and future) to address housing need across the borough.

Recommendations

Cabinet is asked to:

1. Approve the proposed Tenancy Policy attached at **Appendix A**.
2. Agree the proposed Tenancy Agreement changes for existing tenants as detailed in paragraph 9 of this report.
3. Subject to consultation with local Registered Providers as detailed in paragraphs 10 & 11, delegate authority to the Director of Adults, Health & Wellbeing in consultation with the Cabinet Member for Regeneration and Housing to make any further or necessary amendments to the Tenancy Policy.
4. Should it be becoming necessary to amend the Tenancy Policy in response to the Renters Rights Act 2025 (as detailed in paragraphs 12), delegate authority to the Director of Adults, Health & Wellbeing in consultation with the Cabinet Member for Regeneration and Housing to make any necessary amendments.

Detail

Background

1. In 2010 the Council completed a Large-Scale Stock Transfer of its housing to Tri-Star Homes (now Thirteen Group) but retained a small number of dwellings. The transfer involved leasing properties to the Registered Provider under a headlease who then sub-let these properties to tenants. The Council recently surrendered these leases and is now responsible for a retained housing stock of 19 properties. These include some park and cemetery lodges, a small number of dwellings previously occupied on a Rent to Buy basis (where tenants decided not to exercise the purchase option at the end of the terms of their agreement) and council assets that have changed use such as offices within community settings that have been converted back into residential dwellings.
2. Under the terms of the above agreement, the Registered Provider provided their tenancy agreement (Assured Shorthold) for any new tenants as it was considered the most appropriate option for tenancy management and if appropriate enforcement. With existing tenants (pre-2010) retaining a Secure Tenancy Agreement.
3. At present the councils 19 properties have a variety of tenancies as summarised below:

Number	Type of Tenancy
10 properties	Assured Shorthold
4 properties	Secure
2 properties	Service Occupancy
2 properties	Licence to Occupy
2 properties	Void
19 Properties	TOTAL

4. Following the surrender of the leasing arrangement (as outline above), a procurement exercise has been undertaken to appoint a managing agent (Registered Provider) who will be responsible for tenancy and property management. Under this new arrangement the Council will be the landlord. However, in accordance with paragraph 12, Schedule 1 of the Housing Act 1988 local authorities cannot grant Assured Shorthold Tenancies.
5. This means the Council must offer existing tenants (previously on an Assured Tenancy) a new Tenancy Agreement. In summary, the options available to the Council are:
 - Introductory Tenancy - this is offered by a local authority and is a type of probationary tenancy designed for new tenants. It allows the council to assess within 12 months whether the tenant can manage the tenancy responsibly (e.g., paying rent on time, avoiding anti-social behaviour). It is easier for the council to end an introductory tenancy if there are problems during the trial period. If tenants complete the probationary period satisfactorily, they would then be granted a Secure tenancy.
 - Secure Tenancy - this offers tenants long-term stability which can foster long-term investment in homes and neighbourhoods, reducing turnover and associated costs.
 - Flexible Tenancy – this allows councils to review whether a property still meets a household’s needs at the end of the fixed term (usually 2–5 years). These tenancies require a review of the tenancy at least 6 months prior to the end of the tenancy which increases the administrative burden and may have a negative impact on tenant well-being and community stability. Examples of when the Council may consider use of this tenancy is detailed on page 4/5 of the proposed Tenancy Policy (**Appendix A**).
 - Non-secure tenancy/lease – this is typically granted by a local authority when providing temporary accommodation, these offer limited protection and are designed to be temporary while the council works to find a more permanent housing solution.

- Service Occupancy Tenancy – this is issued by a local authority where the occupant’s right to live in the property is directly linked to their employment with the authority, i.e. the person occupies the dwelling because their job requires them to live there (such as caretakers, park keepers, or cemetery lodge staff). These tenancies prioritise the operational needs of the local authority and ensure that staff who need to be on-site for operational reasons have accommodation provided by the employer.
6. After reviewing policies from other stock holding local authorities, the majority offer *Introductory and Secure Tenancies* as these provide tenants with greater long-term stability and provide more than the equivalent rights and tenure of an Assured Shorthold tenancy. It is therefore proposed that the Council transitions those on an Assured Shorthold tenancy to Secure Tenancies.
 7. As outlined in the attached Tenancy Policy, it is proposed that in future most new tenants will start with an Introductory Tenancy and on successful completion then be granted a Secure Tenancy. The Tenancy Policy also provides the option for the Council to use Flexible and Non-secure Tenancies and Licences. However, these will only be used in specific circumstances, such as when a property is required on a short term or temporary basis. Examples include relocating a tenant in an emergency or to allow urgent work to be carried out on their existing property.

Tenancy Policy overview

8. The proposed Tenancy Policy attached at **Appendix A** sets out:
 - The types (and length) of tenancy the Council will grant.
 - The circumstances in which the council may (or not) grant certain types of tenancy.
 - The length of tenancies the Council will grant.
 - The process for granting a further tenancy when an existing tenancy ends.
 - The circumstances in which succession rights to a tenancy will apply
 - The way in which a tenant or prospective tenant may complain / appeal about a decision on the tenancy they have been granted or the decision to not grant a tenancy.
9. Pending Cabinet approval and consultation of the draft Tenancy Policy, it is proposed the following changes be made to existing occupiers of the councils 19 properties:

Number	Current Tenancy	New Tenancy
10 properties	Assured Shorthold	Move to a Secure Tenancy
Rationale for the above: All 10 occupiers have been tenants for more than a 12-month period and there have been no tenancy breaches.		
3 properties	Secure	No change
Rationale for the above: All 3 occupiers have been secure tenants prior to the 2010 Large Scale Voluntary Stock Transfer (and their rights are protected).		
2 properties	Service Occupancy	No Change
Rationale for the above: Both properties will continue to be occupied on this basis due current employment arrangements with the Council.		
2 properties	Licence to Occupy	No Change
Rationale for the above: Both properties will continue to be occupied on this basis (as short term temporary accommodation) until suitable, permanent accommodation can be sourced.		
2 properties	Void	Not applicable
19 Properties	TOTAL	

Consultation

10. Before the Council can formally adopt a Tenancy Policy it must consult with all Registered Providers of social housing in the borough.

11. Subject to Cabinet approval of the proposed Tenancy Policy, consultation will commence on the 16 February for a period of 4-weeks (closing at midnight on Sunday 15 March 2026). Following closure of the consultation, all feedback and comments received will be reviewed and considered. Cabinet is asked to delegate authority to the Director of Adults, Health & Wellbeing in consultation with the Cabinet Member for Regeneration and Housing to make any necessary amendments to the Tenancy Policy arising from the consultation process.

Renter' Rights Act 2025

12. The Renters Rights Act 2025 (formally the Renters Reform Bill) received Royal Assent on the 27 October 2025. The Act introduces wide-ranging reforms aimed at enhancing the security, stability and fairness for tenants. While Royal Assent marks the formal enactment of the legislation, implementation will be phased. As yet it is unclear whether the Council will be required to revise its Tenancy Policy in response to the Act. Should any amendments be necessary, Cabinet is asked to delegate authority to the Director of Adults, Health & Wellbeing in consultation with the Cabinet Member for Regeneration and Housing to make any necessary amendments to the Tenancy Policy.

Community Impact and Equality and Poverty Impact Assessment

14. A Equality and Poverty Impact Assessment has been completed. No group or individual who possesses a protected characteristic, or who has experienced care, poverty, or substance misuse/addiction, will be negatively impacted by the implementation of the proposed Tenancy Policy.
15. Conversely, the assessment has highlighted that individuals with a disability, older people, young adults, care leavers, pregnant tenants, and those experiencing poverty may be positively impacted by the implementation of the policy. These groups benefit from succession rights, tailored tenancy reviews, affordable rent, and safeguards during tenancy transitions and decants. The policy promotes housing stability, independence, and equitable access to suitable accommodation, contributing to improved well-being and reduced inequalities across the borough.

Corporate Parenting Implications

16. There are no corporate parenting implications arising from this report.

Financial Implications

17. There are no Financial Implications arising from this report.

Legal Implications

18. The Localism Act (2011) enables local authorities to influence and decide on its tenancy management framework and how tenancies should be offered and managed. The requirement to produce a Tenancy Policy is set out in Regulatory Framework for Social Housing produced by the Homes and Communities Agency (2012).

Risk Assessment

19. The introduction of the proposals detailed within the body of this report are likely to be low risk and will therefore be managed through existing control mechanisms.

Wards Affected and Consultation with Ward/ Councillors

- 20.** The 19 retained properties are located across 9 wards (Billingham East, Billingham Central, Eaglescliffe East, Hardwick and Salters Lane, Mandale & Victoria, Newtown, Stainsby Hill, Stockton Town Centre and Ropner). No consultation has been undertaken with ward members.

Background Papers

- 21.** None

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