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### Citation for published version:

Watts, B & Fitzpatrick, S 2018, *Fixed Term Tenancies: Revealing Divergent Views on the Purpose of Social Housing*. Heriot-Watt University, Edinburgh.

### Link:

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### Document Version:

Publisher's PDF, also known as Version of record

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# Fixed Term Tenancies: Revealing Divergent Views on the Purpose of Social Housing

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July 2018



**I·SPHERE**

Institute for Social Policy, Housing and Equalities Research



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# Fixed Term Tenancies: Revealing Divergent Views on the Purpose of Social Housing

Since 2012, social landlords in England have been permitted to offer fixed term rather than 'lifetime' tenancies to new tenants, with the Government advising that income, employment status, under-occupancy and behaviour could all be taken into account in tenancy (non) renewal. Local authorities are expected to be compelled to use fixed term tenancies (FTTs) for new tenants in the near future under provisions in the Housing and Planning Act (2016). This report details the findings of two bespoke online surveys circulated to local authorities and housing associations in late 2017/early 2018 exploring how (if at all) they are currently using FTTs, their motives and rationales for these decisions, and the impacts of this form of tenancy on social landlords and tenants.

## Key findings

- Three quarters of responding housing associations and 42% of responding local authorities used FTTs for all or some new lets. Local authorities in the South and housing associations operating across multiple regions were most likely to use them, and those in the North of England least likely.
- The main motivations for deploying FTTs are to promote efficient use of stock, reduce under-occupation, and better target social housing at those 'in need'. A perception that government expected landlords to use FTTs was also important, with the views of local councillors influential for local authorities.
- Decisions not to use FTTs reflected local councillor or board commitment to the value of 'lifetime' tenancies, as well as concerns about the risk they are seen to pose to tenants and communities and the administrative burden associated with their use.
- Some social landlords using FTTs did so as their 'standard offer' to all new tenants, while others targeted FTTs at particular types of property e.g. those let at affordable rents, in high-demand areas or larger properties, or (less commonly) kinds of tenants e.g. those subject to affordability concerns, new to social housing or key workers.
- The factors most commonly taken into account in tenancy reviews are anti-social behaviour, under-occupation, rent arrears and overcrowding, suggesting that FTTs are being used primarily to strengthen and reinforce tenants contractual obligations and to aid in the efficient use of stock.
- Social landlords deploying FTTs reported non-renewals as rare and anticipated that this pattern would continue in the future.
- Most respondents were yet to reach a verdict on the efficacy of FTTs. Those prepared to comment at this early stage were split, some seeing initial positive impacts on tenant behaviour and small gains in relation to efficient use of stock, others seeing neither benefit materialise despite the heavy workload associated with FTT implementation.
- FTTs were seen by a majority of respondents to negatively impact on tenants by undermining their sense of security and belonging in their homes and communities. Particular concerns focussed on vulnerable tenants and families with children. There were additional concerns about potential work disincentive effects.
- While about a third of landlord respondents saw FTTs as ethically appropriate because they enable a larger number to households' needs to be met via increased flow (the 'ambulance service' model), another third saw them as a deeply problematic, undermining the sector's ability to meet the longer-term needs of households for stability and connectedness. The remaining third were undecided and awaiting the unfolding impacts of FTTs as increasing numbers come up for renewal in the next few years.

## Background

Security of tenure – giving social tenants indefinite right to occupy their homes, subject only to proven breaches of their lease agreement – was formalised in England with bi-partisan support in the Housing Act 1980. It has since been seen as an integral component of social housing’s ‘safety-net’ function of providing permanent accommodation for those unable to access alternative housing of a reasonable standard elsewhere (Bradshaw et al., 2008).

The initially gradual erosion of security of tenure for English social tenants began in the 1990s, with the introduction of ‘probationary’ tenancies by the then Conservative Government, which meant that full security of tenure could be delayed for new social tenants (for up to 18 months). In 2003, the Labour Government then implemented ‘demoted’ tenancies, which reduced security for existing tenants subject to behavioural concerns. The Coalition Government’s Localism Act 2011 took this agenda much further by enabling social landlords in England to offer fixed term (renewable) tenancies (FTTs) (usually for a minimum of 5 years) to new social tenants, with the Government advising that income, employment status, under-occupancy and behaviour could all be taken into account in tenancy (non)renewal (Fitzpatrick et al., 2014).

In 2014/15, only 15% of new social tenancies were let on a fixed term basis (DCLG, 2016). Unhappy with this position, the 2015 Conservative Government under David Cameron passed further legislation, in the Housing and Planning Act 2016, which when implemented will make FTTs mandatory for the vast majority of new local authority (LA) tenants. Concessions made during its passage through Parliament mean that the maximum fixed term was raised to 10 years (from 5 years) for some groups, and to cover the period that a child is in school education (up to age 19). Plans to mandate housing associations (HAs) to use FTTs when making new lets were shelved following the official reclassification of associations as ‘public corporations’ (though this reclassification has since been reversed) (Fitzpatrick and Watts, 2017).

Provisions mandating LAs to use FTTs for almost all new lets have not yet been brought into force, and in 2016/17 only 8% of LA general needs lets were made on a fixed term basis, a *decline* of 1% on 2015/16 levels. HAs on the other hand are making increasing use of the post-Localism Act flexibilities available to them, with almost a quarter (23%) of new general needs HA lets made on a fixed term basis in 2016/17, up 5% on the year before (MHCLG, 2018).

Debates about amending security of tenure, underway in fits and starts for over two decades now, but recently radically accelerated by the 2016 Housing and Planning Act, cut right to competing answers to the central question ‘what is social housing for?’ Based on interviews with national-level social housing stakeholders (n=12), we have previously argued that the debate:

*“encapsulate[s] two very different visions... In the first, social housing is a short-term welfare intervention, subject to periodic means test to ensure that it is rigorously targeted at those in greatest need, and operates as a transitional ‘springboard’ to other tenures. In the second, it is a key mechanism for securing stable homes and communities for low-income groups, and a legitimate long-term ‘tenure of destination’. On one side, overriding priority is given to what is viewed as the efficient allocation of scarce resources, and on the other to the security of poor households.” (Fitzpatrick and Watts, 2017, p.1026, see also Stephens, 2008; Fitzpatrick and Pawson, 2014)*

The outcome of this battle for the heart of social housing depends to a considerable degree on the motivations and decisions of individual social landlords in shaping the implementation of shifting national tenure policy (Fitzpatrick and Pawson, 2014). An early survey of LAs conducted by Inside Housing indicated that their orientations to FTTs are largely shaped by party political allegiances, with Labour-led authorities tending not to employ FTTs under the permissive post-2011 regime (Robertson, 2013). Primary research (Fitzpatrick and Watts, 2017) with HA

staff suggests a rather more complex set of drivers informing housing associations' approach to utilising FTTs, with three groups emerging from our analysis of focus groups with 33 frontline HA staff (Fitzpatrick and Watts, 2017):

- *Interventionist* associations are deploying FTTs as part of a behavioural agenda to “*go beyond the traditional landlord tenant relationship*” (Fitzpatrick and Watts, 2017, p.1027), incentivising tenants to live more socially engaged and economically independent lives, and ‘enabling’ them to meet their own ambitions (concerning employment or home-ownership, for instance) (see also Rallings, 2014; Priest-Stephens, 2014). They see this as part of their ‘social mission’, but also as a means to protect their income stream in the face of welfare reform;
- *Utility maximiser* associations were ‘early adopters’ of FTTs, often larger associations in London and the South, who saw them as a means to increase the efficiency of their stock management by tackling under-occupation and increasing ‘flow’ through tenancies. At the point of fieldwork in 2014/15, this group were voicing scepticism about the efficacy of FTTs in achieving these ends, and concern regarding the administrative cost and complexity of administering them;
- *Place making* associations were seen to be averse to FTTs from the start, viewing them as antithetical to their tradition role of ‘place making’ rather than ‘people shaping’, aside from their ‘core business’ of addressing anti-social behaviour and rent-arrears. This perspective was seen to reflect the view of associations located in low demand areas, and those with a philosophical commitment to the idea of social housing as providing a ‘home for life’.

This same research reported the first evidence on the impact of FTTs on tenants, based on qualitative longitudinal interviews with an initial 2014/15 cohort of 49 social tenants with experience of probationary or fixed term tenancies, with 32 re-interviewed in 2015/16, and 24 for a third and final time in 2016/17 (see Fitzpatrick and Watts, 2016, 2017, 2018). A small number of these tenants were **unaware** of the fixed term nature of their tenancy, thinking it to be open-ended, or unable to clearly distinguish one from the other. A somewhat larger group were aware of the fixed term nature of their tenancy but **unconcerned** for a variety of reasons, including: that they previously resided in the private rented sector with a five-year term seeming secure by comparison; had entered social housing via the statutory homelessness system and were grateful for accommodation on any terms; or saw their current tenancy as only a temporary ‘stepping stone’ to home ownership. Other tenants saw the fixed nature of the tenancy as low risk, anticipating help to find new accommodation if their tenancy was not renewed. The majority of tenants interviewed fell into a third group, and were concerned or **anxious** about the fixed nature of their tenancy. Families with children, older people and those with health or disability issues were the most concerned, describing feelings of insecurity, and of being ‘always on edge’ and on a ‘ticking clock’ that could end in losing their home, as well as in some cases patronised by behavioural expectations about community engagement. Overall however, and feeding in (variously), to a sense of unease, resignation or optimism that it would all be fine, tenants often had little knowledge or understanding about *why* their tenancy would be renewed, or not. It is also worth noting that at the point of final interview, fixed term tenants were still some time away from the end of these terms. We can reasonably anticipate that anxiety levels may rise as the review date nears.

In anticipation of planned legal changes that will end security of tenure for almost all new council tenants in England, this report furthers this emerging evidence base by exploring how a wider group of social landlords, both LAs and HAs, have been employing the flexibilities currently available to them, their experiences of doing so and their expectations about the impact and significance of further moves away from security of tenure in the future.

## Study design and sample

This research was undertaken as part of the five-year Economic and Social Research Council-funded *Welfare Conditionality: Sanctions, Support and Behaviour Change* research programme, conducted across six UK universities and covering the use of conditional forms of welfare in a range of policy arenas. One strand of the project, led by Suzanne Fitzpatrick and Beth Watts at the Institute for Social Policy, Housing and Equalities Research (I-SPHERE), Heriot-Watt University focused on the use of probationary and fixed term tenancies in England. The primary components of the research were interviews with national key informants in the housing sector, focus groups with frontline workers in HAs, and qualitative longitudinal interviews with tenants with experience of probationary and/or fixed term tenancies (see above).

This report details the findings of a further research component involving two bespoke online surveys circulated to local authorities and HAs respectively in partnership the Housing Quality Network (HQN). The surveys seek to augment the evidence generated in the main components of the study by investigating the decisions LAs and HAs are currently making regarding the use of FTTs to manage their housing stock, their motives and rationales for these decisions, the impacts of using FTTs on social landlords, and the impacts they anticipate FTTs having on tenants and social housing in the future. Crucially, the survey offered considerable scope for more detailed qualitative responses via the extensive use of open text response options.

In all, 51 LAs and 81 HAs responded to the surveys respectively, which were open for participation between August 2017 and March 2018. The LA response rate was highest in London at 30%, 16% in the Midlands and 13% in the South and North. Three quarters of responding authorities managed their own social housing stock, with the remaining responses from LAs whose stock is managed by an arms-length management organisation (ALMO) (17%) or stock transfer authorities (7%).

The HAs that participated account for around 30% of all HA stock in England, and had an average stock size of just below 9,000. The largest proportion of respondents represented HAs working in the South (34%), followed by those with stock across two or more broad regions (26%), those in the North (19%), and those in London and the Midlands (11% and 10% respectively). The largest proportion (43%) of responding HAs were stock transfer organisations, with a third describing themselves as 'large housing associations', one in ten as 'local community based' HAs and 14% as 'other' kinds of HA. Most individual respondents were at middle/senior management or executive levels within the organisation.

With a minority of both LAs and HAs participating in the online survey, on a self-selecting and non-random basis, we cannot assume the statistical representativeness of these results. In particular, we received low response rates from LAs outside of London and HA respondents were dominated by those which operated across multiple broad regions and in the south of England. It may also be that LAs and HAs already using FTTs, or considering using them, may have been more inclined to participate in the survey than those definitely not willing to do so. Notwithstanding these limitations, the data generated provides substantial insight into the debates taking place across the country on the use of FTTs, with the in-depth qualitative material in particular illuminating the ethical and other dilemmas social housing providers are grappling with in managing these challenging issues around security of tenure.

The remainder of this paper reviews the current use of FTTs reported by the social landlords participating in the survey, before taking a detailed look at the motivations for both use and rejection of these 'flexible' tenure forms. The paper then goes on to examine the precise ways in which FTTs are deployed by the landlords who use them, their perceived impact and effectiveness, and views on their ethical implications. The paper concludes by drawing out the main themes to emerge from this analysis.

## Current use of FTTs

In line with national statistics suggesting a much higher rate of new HA tenancies are let on a fixed term basis than is the case for LAs, HA respondents to our survey were far more likely to report letting at least some of their homes on a fixed term basis than LA respondents (see Table 1). Almost three quarters of responding HAs use FTTs, compared to only 42% of responding LAs. Use of FTTs appears to vary substantially across the country. Around double the proportion of LAs in the South reported using FTTs compared to their peers in London, the Midlands and the North. This is likely to in part reflect the political drivers of FTT use among councils identified by Inside Housing (Robertson, 2013).

HAs operating across two or more broad regions were the most likely to report using FTTs (20 of the 21 cross-region HAs who responded did so), with FTT use also extremely common among responding HAs operating in the Midlands (88%), South (70%) and London (67%) and lowest in North where just less than half of responding HAs reported using FTTs.

**Table 1: Is it current policy to let any of your homes on a fixed term basis?**

Broad region	Local authorities <sup>1</sup>				Housing associations <sup>2</sup>			
	Yes		No		Yes		No	
	Number	%	Number	%	Number	%	Number	%
<b>Across broad regions</b>	-	-	-	-	20	95	1	5
<b>London</b>	3	30	7	70	6	67	3	33
<b>Midlands</b>	3	27	8	73	7	88	1	13
<b>North</b>	3	33	6	67	7	47	8	53
<b>South</b>	12	60	8	40	19	70	8	30
<b>Total</b>	21	42	29	58	59	74	21	26

1. 50 LAs responded to this question. 2. 80 HAs responded to this question.

## Motivations for using FTTs

Respondents indicated a combination of motivations for adopting FTTs (see Table 2). Most important appears to be their anticipated potential to facilitate ‘efficient use of stock’, a factor identified as a ‘main motivator’ by 21 of the 22 LAs and three-quarters of HAs who use this form of tenancy and answered this question<sup>1</sup>. Typical comments included that use of FTTs aimed to “optimize use of scarce housing stock” (LA, South East), “free up stock for appropriate use” (LA, South East) and “promote best use of our stock and ensure that properties were allocated to their fullest potential” (HA, West Midlands). This driver had particular resonance for authorities in high demand areas or with high demand components of their stock. One HA commented for instance that because the high demand on their stock they “felt it was important to reduce the creation of tenancies for life” (HA, East of England). By the same token, several HAs commented that they saw “little point” (HA, North West) in using FTTs in low demand/high turnover areas.

Central to the hoped for efficiencies pursued via FTTs is tackling under-occupation, identified as a major motivator for three quarters of LAs and nearly half of HAs that use them:

*“[This area] has an ageing population some who are residing in family size homes, FTT will enable quicker re-circulation of stock” (LA, South East)*

<sup>1</sup> Note that one LA recorded using FTTs but did not give their region, hence the discrepancy in the total numbers of LAs answering this question (22) compared to the total number using FTTs (21) reported in Table 1.

**Table 2: What do you understand to be the main motivations for using FTTs in your organisation?**

Motivation <sup>3</sup>	Local authorities <sup>1</sup>		Housing associations <sup>2</sup>	
	Number	%	Number	%
Because it was understood as being expected by government/HCA	11	50	21	38
To promote efficient use of stock (e.g. by increasing turnover/flow of new lets)	21	95	41	73
To reduce under-occupation	17	77	25	45
To encourage better targeting of stock at those most 'in need' (e.g. by ending tenancies of those on higher incomes)	8	36	23	41
To promote behavioural change (i.e. by linking tenancy reviews to work effort, community contributions, neighbourly conduct, etc.)	4	18	13	23
To reflect the views of local elected members/other political reasons	8	36	2	4
Other	1	5	10	18
Don't know	0	0	1	2

1. 22 LAs responded to this question. 2. 56 HAs responded to this question. 3. Note that multiple responses to this question were permitted. Only landlords who use FTTs were asked this question.

*“Tackling under occupation is the main driver for this. We are reviewing our approach and may let 1 bed properties on assured tenancies as under occupation will not occur” (HA, South East)*

FTTs were also seen to enable landlords to better target their stock at those who need it e.g. by ‘filtering out’ those with higher incomes at the end of their fixed term to ‘make room’ for those who cannot afford more expensive tenures, including private rented sector (PRS) properties in the context of cuts to housing allowance levels. This was a main motivator for over a third of responding landlords who use FTTs:

*“[The] Council’s Tenancy Strategy promotes better use of stock to ensure those most in need can access social housing, by encouraging RPs [Registered Providers] to assist tenants who can afford homes in the market sector to release their homes once their FTT has come to an end” (London borough)*

*“Desperately short of family sized housing (2 and 3 bed) and we have a high number of single people living in family sized accom. High demand for housing therefore need to prioritise those who cannot afford properties in the private sector – LHA [Local Housing Allowance] does not cover the cost of most private sector rents.” (LA, East of England)*

*“Most of the stock FTTs apply to is in [local area] which has a substantial homelessness problem and lack of affordable rented properties. FTTs are being used to ensure we check that tenants still require the size/type of property to help those in housing need.” (HA, North West)*

One respondent explicitly made the point that FTTs are used in part to “migrate residents onto other tenures” (HA, South West). Several respondents identified other forms of ‘efficiency gain’ associated with FTTs, such as the ability to let properties for a short period prior to regeneration, helping reduce waiting lists and avoid properties ‘standing empty’.

A number of participating landlords noted that the kinds of efficiency gains seen to be facilitated by FTTs would likely materialise only in the relative long run:



*“the benefits will materialise further down the line... in 10/20 years time we will be able to support tenants that needed large properties when they became our customers to move to smaller properties if their circumstances changed, e.g. a family of 6 that needed a 4 bedroom flat in 2015 and only needs a 1 bedroom flat in 2025 because all the children moved on.” (HA, London)*

Though these efficiency-related factors indicate landlords adopting FTTs to further their organisation’s own strategic priorities and values, it is also evident that the Government’s enthusiasm for the flexible tenancies model played a role in driving their adoption, with half of responding LAs (11 of 22) explicitly recognising the influence of this ‘top down’ motivation. For Conservative-led LAs this reflected the influence of elected members. Eight (of 22) LAs explicitly identified such ‘political factors’ as instrumental in the decision to use FTTs:

*“There was a strong political appetite for the use of flexible tenancies here and it was made clear to us that the Council should support the aims of the Government at the time... This Council is Conservative-led.” (LA, London)*

The influence of such ‘top down’ political factors was also evident among HAs who use FTTs (albeit often in combination with other factors), over a third of whom named government expectations as a driver of their decision to employ them:

*“Our primary motivation was to use the power to offer FTT to manage our stock better. We did also think that government would expect the use of FTTs to demonstrate commitment to better stock management.” (HA, South East)*

*“initially I understand we made the changes in line with government/HCA [Homes and Communities Agency] expectation. We also now understand as an organisation the need to review occupancy of our properties to make best use of our housing stock.” (HA, multi-region)*

Crucially important here was HAs’ initial understanding that adoption of FTTs was linked to their access to grant funding to offer and build new homes under the ‘Affordable Rents’ regime, albeit that ultimately it became clear no such iron-clad link existed (CIH, 2014):

*“Our understanding back in 2010/11 was that FTTs and conversions to Affordable Rent were inseparable; if we wanted to convert homes to Affordable Rent as agreed with the HCA and the GLA [Greater London Authority] we would need to offer FTTs for the converted homes. Over time it became clear that tenure and rent type could be de-coupled so conversions were possible whilst offering Assured tenancies” (HA, multi-region)*

*“The main driver was the use of the Affordable Rent regime when it was introduced in May 2012. All new build stock, as it was more desirable, to attract a higher rent and to fund more houses through the development programme were intended to be let on FTTs” (HA, North East)*

Another ‘top down’ driver of FTT adoption identified by survey respondents was the perceived need to manage the impacts of welfare reform measures. Several HAs described using FTTs to mitigate the risks of accommodating groups entitled to shrinking support with their housing costs and thus more likely to go into arrears, including under 35s and those impacted by the bedroom tax.

FTTs as a ‘tool’ to influence the behaviour of tenants was identified as relevant by a handful of participating LAs, but was somewhat more influential for responding HAs, almost a quarter of whom identified some kind of behavioural agenda underpinning their use of FTTs. Some HAs described FTTs as enhancing their ability to “deal with ASB [Anti-Social Behaviour] or repeated failure to adhere to terms of tenancy” (LA, East of England) or “unauthorised subletting” (HA, multi-region) and providing “a stronger incentive to comply with tenancy conditions in all areas - rent arrears/ASB and others. Basically more tools in our arsenal all round” (HA, West Midlands).

A small minority identified a behavioural agenda extending beyond these traditional behavioural concerns, seeing FTTs as providing a foundation for a different kind of relationship with their tenants (see also Fitzpatrick and Watts, 2017), including a focus on moving them on to different housing options in the future and into education, employment or training:

*“we wanted to engage more frequently with our tenants so that we can tailor services more effectively, maximise income and explore different housing options with tenants.” (HA, multi-region)*

*“our scheme is to support the development of tenants through training and education to move into work, and ultimately access a wider range of housing options.” (LA, East Midlands)*

A couple of HAs saw part of the motivation for adopting FTTs as communicating to tenants the ‘value’ of their tenancy, hinting perhaps at the idea that tenants should be grateful for the short-term opportunity to live in social housing, rather than make it their ‘home for life’:

*“Fixed Term Tenancy provides an opportunity for us to work with Customers to ensure that they are in the most suitable accommodation, continue to meet the terms of their tenancy, enforce that the property may not be a long term provision depending on their needs, enforce the ‘value’ of an affordable home” (HA, East Midlands)*

*“The key driver was to make best use of stock and influence behavioural change to ensure tenants understood the value of a social tenancy” (HA, London)*

## Motivations against using FTTs

Respondents from LAs and HAs who have *not* adopted FTTs were asked to explain the reasons why ‘flexibilities’ around security of tenure had not been taken up. For LAs, by far the most dominant reason given for not using FTTs was the decisions of elected members. Respondents described local councillors’ concerns about the expected impacts FTTs (see below), and often their commitment to social housing as ‘a home for life’ and the value of ‘lifetime’ tenancies:

*“Political decision taken not to use fixed term tenancies. As a tenure council housing is still viewed as a long-term housing solution” (London borough)*

*“A pledge was made via the adoption of our Tenancy Strategy to defend council housing as a viable long-term housing option for families and single people” (LA, North East)*

A central rationale underpinning councillors’ rejection of FTTs was that they risked destabilising both communities and tenants’ lives, a concern shared by HAs who had also refrained from adopting them. It was explained that ‘lifetime’ rather than fixed term tenancies were seen to facilitate ‘strong’, ‘cohesive’ and ‘sustainable’ communities that tenants were invested in, and to ‘minimise transience’:

*“To support community cohesion through tenants knowing they are able to remain in their home for the foreseeable future (subject to complying with the terms of their tenancy), and being encouraged to participate and invest in their community.” (LA, East Midlands)*

*“The political preference of this council is to continue to issue secure tenancies to ensure tenants have security of accommodation which supports families in terms of accessing employment, education and support services for example as well as providing stability within communities and minimising transience.” (LA, West Midlands)*

*“The Board felt that it [adopting FTTs] would not be appropriate for a community organisation that is trying to develop a greater sense of community... one way to [do] that is to offer certainty in housing.” (HA, London)*

The benefits to individual tenants – as well as communities as a whole – of security of tenure was emphasised, alongside the perceived cost of uncertainty and insecurity, particularly for vulnerable tenants:

*“Lifetime tenancies provide stability and certainty for residents; they produce mixed communities and a sense of belonging which encourages resident involvement, the cornerstone of meaningful service improvement... Residents who are invested in their tenancies are more likely to care for their properties and gardens; creating homes rather than just ‘places to live’... For those vulnerable residents, the sense of stability and belonging, is all the more important and can immeasurably improve quality of life.” (London borough)*

*“We believe that a social rented home is suitable for our tenants for as long as they want and need it and that it meets their needs. Given that households’ circumstances change at different times and at different rates it does not seem appropriate to apply fixed term tenancies where the term is created by the landlord. We feel that the time and resources could be better used understanding our customer data and engaging tenants in conversation about housing options and aspirations at appropriate points in their lives.” (HA, multi-region)*

*“May discourage aspiration and contribute to ‘residualisation’ of estates... Risk of administration, bureaucracy, legal challenge, rent loss, voids. Lack of security of tenure can contribute to wider insecurity in vulnerable tenants” (LA, East midlands)*

A core concern was the anticipated administrative burden of implementing a robust and equitable FTT regime, both in relation to the high upfront cost of developing appropriate policies and procedures and the ongoing demands of the tenancy review process. One HA detailed at length the risks they saw as associated with FTTs for both communities and individual tenants, and the “operational issues” they would need to address, concluding overall that they “considered that these risks outweighed the benefits of potentially better use of stock” (HA, South West). A LA similarly explained: “it was felt that using FTT [would] be administratively demanding, and current needs of households on our housing register would not be met” (LA, West Midlands), something likely to be particularly the case in lower demand areas.

It was also clear that some social landlords were biding their time on adopting FTTs, “awaiting guidance” from government (London borough) or waiting to see “how easy they would be to manage based on others experience, specifically when it comes to ending them if necessary” (HA, East of England). There was considerable uncertainty among LA respondents about whether their organisations would adopt FTTs in the future, with much depending on the implementation (or not) of Housing and Planning Act 2016 provisions.

## The Extent and Nature of FTT use

### Targeting of FTTs

Of the responding social landlords who currently use FTTs, about half of the HAs and one third of LAs used them for *all* new tenants, and the remainder targeted them in some way.

Of those social landlords who reported using FTTs for only some new lets, some nevertheless reported it being their ‘**standard offer**’ (often subsequent to a successful probationary period), albeit subject to certain exceptions, including in particular sheltered and older people’s housing:

*“[we use FTTs for] the majority [of new lets]... We do not use FTT’s for transfers or for sheltered housing and some elderly designated” (LA, East of England)*

*“All new lets to GN [general needs] housing where the applicant does not currently have a lifetime assured. We generally do not offer FTT where the property is part of a sheltered scheme or an adapted home. In these cases we make an assessment as to whether the individual’s circumstances are likely to have changed significantly in the next 7 years and may offer a lifetime assured.” (HA, South West)*

Landlords frequently reported using FTTs for **particular types of properties**, including those let at affordable rents, new builds, properties in ‘high-demand’ or ‘desirable’ areas, larger properties, and properties in areas identified for regeneration, redevelopment or demolition:

*“FTTs are offered for all new lets in areas defined as high demand, as per our local lettings policy.” (LA, East Midlands)*

*“New letting of family sized general needs housing i.e. 2 bed or larger” (LA, South East)*

*“Properties with more than four bedrooms... and one-off exceptional circumstances - eg where area has potential for redevelopment.” (LA, East of England)*

*“Attractive properties in high demand areas.” (HA, North West)*

*“All new build stock as it comes through the development programme” (HA, North East)*

Less commonly, landlords targeted FTTs at **particular kinds of new tenants** including those subject to Local Housing Allowance caps and thus affordability concerns, those new to social housing, key workers, those living in shared tenancies, and tenants trialling specific living arrangements:

*“[we use FTTs] to enable ‘special’ family arrangements to be tried out, to support new fostering placements, for instance.” (LA, East Midlands)*

*“Used for Key Worker accommodation only” (HA, London)*

*“We will be undertaking a further review of our tenancy policy... as we had amended our earlier policy last year to extend the offer of FTTs to applicants who would have been impacted by LHA caps, based upon an affordability assessment which indicated that they may be unable to afford the rent and other associated costs such as council tax and utility bills after the caps had been implemented.” (HA, multi-region)*

One LA was piloting the use of FTTs for ‘high spec’ properties for new tenants in training or education, with a view to them moving out of social housing at the end of their fixed term:

*“We are piloting a... scheme whereby dwellings are finished to a higher specification than the regular lettable standard, to include carpets and blinds, then the tenant has to be someone who is in training or education and working towards employment, with the aim being to be in full time employment by the end of the 5-year FTT, at which point they are able to move to alternative tenure accommodation.” (LA, East Midlands)*

## Length of FTTs

Two thirds of HAs and half of LAs report using a standard length of FTTs rather than tenancies of variable lengths.

Of those that use such a standard length tenancy, the most common duration was 3-5 years, though some landlords (3 LAs, 8 HAs) reported using tenancies of 6-10 years as standard. Four HAs reported using a '1+5' format of a probationary tenancy followed by a 5-year FTT. A small number (two HAs) reported using FTTs of 2 years as standard.

Some landlords who use FTTs (a third of HAs and just under half of LAs) reported using tenancies of varying lengths depending on household type or other factors. One LA in the South East, for instance, used a standard 5-year FTT duration, except for with under 25 year olds who receive a 2-year tenancy. Examples of variable FTT duration policies among HAs included:

*"[the most common FTT duration is] approx. 8 years. Tenancies are 2 years in high rise, 5 years except where there is a child under 18 & the tenancy duration is until the youngest child is 18. The majority of general let tenancies of 2 bedrooms or more are let to families, therefore there are many varying tenancy lengths and the average is currently approx. 8 years."* (HA, North West)

*"In the part of the company where the stock is a former ALMO we only issued the bare minimum of about 5% FTTs and only for under 35s affected by the benefit rules as a preventive measure against the pending changes. The FTT used in these cases was a 10-year FTT. In the rest of the organisation the FTT term is 5 years plus an 12 month probationary starter period."* (HA, multi-region)

*"Shared housing - 12 month fixed term. Self contained 1 year starter + 3 year fixed term."* (HA, multi-region)

### Tenancy Review Policies

The majority of social landlords employing FTTs for some or all new tenants have developed formal tenancy review policies, but a sizeable minority are yet to have done so (28% of LAs and 22% of HAs). This likely reflects that the first FTTs deployed by landlords are only now beginning to come up for renewal, with participants in our survey reporting initial renew/termination dates of between 2018 and 2023. It also suggests that a sizeable number of tenants are on FTTs without policies being in place regarding renewal criteria (see also Fitzpatrick and Watts, 2018).

This new survey evidence begins to reveal how landlords are designing review, renewal and termination policies. As shown in Table 3, the four most important factors taken into account in tenancy reviews for both LAs and HAs are ASB, under-occupation, rent arrears and overcrowding, suggesting that FTTs are being used to strengthen and reinforce tenants' contractual obligations (to pay the rent and refrain from ASB) and to aid in the efficient use of social stock (under-occupation and overcrowding). All four of these factors were taken into account by over 70% of responding landlords.

Also important, and taken into account in well over half of participating landlords' formal policies, is tenants' income-level at the time of review, suggesting that FTTs are being used to 'target' tenancies on lower income groups by allowing for the ejection of those who are deemed to be on too high an income to require the property. Interestingly, though, the survey results reveal that FTTs are being used even more often in the case of HAs to 'filter out' tenants who are deemed to be on *too low* an income to afford their accommodation (two-thirds of HAs cited affordability or financial capability as a factor to be taken into account in decided whether to renew an FTT, compared to only 5 of the 18 LAs who answered this question).

The availability of alternative accommodation for tenants was identified as a factor to be taken into account by only just over a third of social landlords, something that might be considered particularly problematic in high-demand and expensive housing market areas. What is not clear is how this factor is being operationalized in practice by these landlords, for instance, whether it relates to a broad assessment of the local housing market

**Table 3: What factors does your policy specify ought to be taken into account in deciding whether to renew a FTT?**

Factor <sup>3</sup>	Local authorities <sup>1</sup>		Housing associations <sup>2</sup>	
	Number	%	Number	%
Overcrowding	13	72	32	74
Under-occupation	17	94	37	86
Rent arrears	14	78	37	86
Affordability/financial capability (rent too expensive for tenant)	5	28	29	67
Income (income too high to require tenancy)	11	61	28	65
Behavioural concerns (anti-social behaviour)	14	78	39	91
Other behavioural issues (work search activities, community contribution/involvement, health or lifestyle issues)	1	6	6	14
The availability of alternative accommodation	7	39	16	37
Other factor(s)	3	17	10	23

1. 18 LAs responded to this question. 2. 43 HAs responded to this question. 3. Note that multiple responses to this question were permitted.

and tenants' ability to find alternative accommodation, or more specifically to the landlord having available specific alternative accommodation for the household.

Of less importance for both LAs and HAs were behavioural factors *beyond* anti-social behaviour, which were identified as a factor to be taken into account by only one LA (of 18) and 14% of HAs (6 of 43). These results are consistent with Fitzpatrick and Watts' (2017) findings that for a small group of HAs, FTTs are being used as a tool to steer their tenants towards more active and health lifestyles, including in relation to employment and/or community contribution.

Respondents were asked if any further factors in addition to those listed in Table 3 were taken into account in FTT review policies. Factors identified here included whether tenants in adapted homes had continuing need of these adaptations; whether they continued to meet local housing register requirements; whether they were carers (including foster carers); whether a member of the household was terminally ill; if they were not using the property as their main home, were subletting or otherwise engaged in 'tenancy fraud'; and whether the property was due for demolition or sale.

### Tenancy Renewal Practice

At the time of completing the survey, only one participating LA reported non-renewal of an FTT. This East of England authority had ended two FTTs on grounds of severe ASB. Other LAs using FTTs reported only a handful of tenancies reaching their review period and none in circumstances justifying non-renewal.

While a third (19) of participating HAs that used FTTs had decided not to renew at least some of these, in the vast majority of cases non-renewals were reported as rare (5-10% of review outcomes) or very rare (less than 5% of review outcomes). Reasons were varied and reflective of the policies described in Table 3 above, including tenancy breaches (rent arrears or ASB); under-occupation/overcrowding; high income or "*a positive change in the households financial circumstances*" (HA, West Midlands); and adaptations no longer being needed. In addition, several associations identified "*non-compliance with request[s] for information*" (HA, London) e.g. about household composition and income, as the reason for tenancies ending, or of tenants being notified of the landlord's intention not to renew.

Of all HAs who had implemented at least some non-renewals, the most frequent outcome (in 12 out of 19 cases)

was that the tenancy was terminated. Only two HAs reported the tenant being offered a tenancy of an alternative property as the most frequent result. HAs gave a number of examples of the other outcomes that could be associated with FTT non-renewal:

*“While 3 tenancies would not have been renewed we successfully engineered a 3 way exchange to prevent this from happening” (HA, South East)*

*“Granted an extension of 2 years to allow sufficient time to provide a permanent long term solution. Undertook works to partition the largest bedroom in a 3 bedroom house to make it into a 4 bedroom property due to the size of the family increasing over the fixed term” (HA, South East)*

Looking forward, only a handful of landlords across the LA and HA samples thought that frequent non-renewal was likely. The majority felt that non-renewal was likely to be rare (5-10% of cases) or very rare (5% of cases), reflecting their view that household circumstances were unlikely to have radically changed in very many cases and non-renewal was seen as a last resort to be used, for instance, in cases of more severe under-occupation or persistent/high levels of arrears. Other reasons given included: that tenant involvement was anticipated to weigh against non-renewal; that tenancy sustainment was an explicit corporate objective; and that landlords were reluctant to pursue non-renewals where that would increase levels of homelessness.

### **Future policy on FTTs**

Most landlords currently using FTTs anticipated continuing to use them for the foreseeable future. This was the case for all 22 LA respondents using FTTs who answered this question, and tended to reflect elected member commitment to the policy and/or the outcomes of recent policy reviews. It was noted by several LAs that regulations bringing the Housing and Planning Act (2016) into force could change their policy. One, for instance, noted that they would rather continue to grant 10-year FTTs, but may be forced to implement shorter terms.

Most HAs too were committed to the continued use of FTTs, however, two respondents reported that they expected their organisation to discontinue their use and a further five reported that they didn't know whether they would. FTT using HAs thus seem slightly more ambivalent in their commitment to FTTs than LAs. In several cases this reflected that FTT policy was being kept under 'periodic review'. Other explanations of this uncertainty included internal conflicts about whether FTTs were in line with organisational objectives, uncertainty about how FTT non-renewals would fair in the courts, and acknowledgement that administering FTTs was proving burdensome:

*“We wanted to extend to all of our future lettings but our Board have expressed concerns as we have a corporate goal to build strong and stable communities and believe fixed term tenancies present a conflict with our charitable objects” (HA, South East)*

*“Not seeing any results from using them and there is a need to direct resources elsewhere” (HA, West Midlands)*

*“We think it is a good solution, however as they have not been tested very much in the courts, and also advice from lawyers can be conflicting in particular around serving notices it is unclear how any challenges will work out.” (HA, London)*

*“We wish to be able to demonstrate that Fixed Term Tenancies are not beneficial to our tenants or to us as an organisation. If we can do this we will be able to stop granting them. Part of this will be illustrating how much time is taken up on reviews – and in the context of the fact that the vast majority of tenancies would be renewed” (HA, multi-region)*

## Effectiveness of FTTs

Survey respondents were asked for their views on whether FTTs had been an effective means of achieving any relevant aims associated with their deployment in their organisation. Two thirds of LA respondents and half of HAs said they ‘didn’t know’ whether FTTs had been effective, with much smaller numbers having a firm view on their effectiveness (see Table 4). This uncertainty reflects a view that it is still too early to reach a definitive verdict on their efficacy given that only a small number of FTTs, if any, had so far come up for renewal.

**Table 4: Has the use of FTTs been an effective means of achieving any relevant aims for your organisation?**

Answer	Local authority <sup>1</sup>		Housing association <sup>2</sup>	
	Number	%	Number	%
Yes, it has been very effective	1	5	5	9
Yes, it has been somewhat effective	2	9	18	32
No, it has been ineffective	4	18	3	5
No, it has been counterproductive	0	0	2	4
Don’t know	15	68	28	50

1. 22 LAs responded to this question. 2. 56 HAs responded to this question.

Overall, HA respondents were more positive than LA respondents, with just over 40% saying FTTs had been ‘somewhat’ or ‘very’ effective, compared to only 3 of 15 LAs who answered this question. The tone of many respondents’ commentary suggests that these assessments of efficacy were often seen as inevitably preliminary, but nevertheless some key themes can be identified. A number of HAs identified some positive impacts FTT use had had on tenant behaviour, expressing the view that flexible tenancies had strengthened the incentive for tenants to ‘play by the rules’ in relation to anti-social behaviour and rent arrears:

*“It has helped to reduce tenancy breaches as the threat of non-renewal has strengthened our management options” (HA, South East)*

*“An unexpected outcome has been that we are seeing arrears paid back at a faster rate than compared to lifetime tenancies as judges are making orders that require the arrears to be cleared by the end of the fixed term” (HA, South East)*

*“Although we have not had FTTs due for review we do explain to tenants that there will be a review of their tenancy where there have been behavioural issues this in part does get the tenant to review their behaviour.” (HA, London)*

*“customers have cleared debts with us at the end of the tenancy as they would otherwise not have been offered a new one.” (HA, multi-region)*

*“It is early days for us, having introduced FTTs in April 2017. However I believe that having this type of tenancy has already contributed to a reduction in rent arrears as the tenants are aware they have much less security than those who had assured tenancies.... It will hopefully have a positive effect on the behaviours of some tenants who have learned to play the system and break agreements but not sufficiently that a court would order possession. We now have a carrot to dangle!” (HA, multi-region)*

A cluster of respondents identified perhaps a more subtle ‘positive impact’ in relation to the frequency and quality of the conversations they feel FTTs facilitate with their tenants. Several expressed the view that FTTs help “re-educate” tenants that their homes are “not for life” and “challenge their expectations”:

*“We do not know [if FTTs are effective] as we haven’t got to the end of our first tranche of tenancies,*



*however it has given us the opportunity to re-educate our customers and challenge their expectations of social housing” (LA, South East)*

*“I think it has made people aware of the issues and that this is not a tenancy for life. We will know more once we start reviews.” (HA, South West)*

*“Allows early engagement and incentivises co-operation and conduct, where ‘new’ tenants value the product they have been given” (HA, West Midlands)*

A handful of respondents identified early signs of success in relation to FTTs facilitating more efficient use of stock:

*“It is still too early to say at present but it has enabled us to ensure that housing stock better meets the needs of customers” (LA, South East)*

*“It is early days but already some tenants who are not key workers and have high earnings have moved on to alternative accommodation and thus freeing up our property for the intended client group.” (HA, London)*

*“From a social landlords point of view FTT`s provide a structured process to talk to tenants about moving into more suitable accommodation. As previously noted FTT`s can assist social landlords in more effectively manage supply and demand issues.” (HA, West Midlands)*

Three key themes were clear in respondents’ elaborations of negative verdicts on FTTs. First, there was considerable concern about the workload and associated costs of administering this form of tenancy:

*“Management of FTT’s is... resource heavy with yearly checks on property condition and household data updating.” (HA, East of England)*

*“We are still relatively early on in the process, it has not been possible to measure outcomes at this stage. However, it has been noted that a significant amount of work is involved in the use of fixed term tenancies.” (HA, South East)*

*“the model has not been tested, though it is likely that the administrative burden will outweigh benefits to tenants or the group” (HA, multi-region)*

Though almost all landlords acknowledged this problem, they disagreed on whether these costs would outweigh the benefits of FTTs, as exemplified in the following contrasting responses:

*“As described above, FTTs generate additional cost and complexity through additional reporting requirements, administration, policy creation/maintenance, housing management system maintenance, housing officer visits and so on. Our expectation is these various costs won’t be outweighed by the benefits of FTTs in terms of making best use of stock.” (HA, multi-region)*

*“The use of FTTs can cause a significant volume of work for colleagues due to the need to undertake monitoring and reviews/renewals. However, we are able to effectively manage our stock, and ensure that homes are allocated to those most in need.” (Housing association, multi-region)*

LAs seemed more concerned overall about the administrative burden than HAs, often describing them as “an administrative nightmare” (LA, South East), likely because (unlike HAs) they are facing being compelled to adopt them in the near future.

Second, there was scepticism on the part of some landlords about FTTs having any impact on tenant behaviour or stock management:

*“the tenancy conditions in respect of ASB and arrears have had no effect in modifying the behaviour of tenants who are on FTTs” (LA, East of England)*

*“We have not yet encountered any consequence at all in terms of stock management... There will be some scepticism if we do a lot of reviews but do not succeed in freeing up under-occupied properties!” (HA, South East)*

*“Most tenants do not realise the implications of FTTs despite housing officers’ best endeavours to explain them. For those that do understand it creates uncertainty at best and anxiety at worst. Just like everyone else, our tenants need stability and support and to be able to plan ahead. Tenancy sustainability is what we aim for as an organisation - tenants putting down roots, putting their children in local schools, being able to value and look after their homes and gardens and being part of the community - all these factors mean that rent is likely to be paid. The reality of ending tenancies and carrying out evictions is void loss, void repairs costs and former tenant debt.” (HA, multi-region)*

A third area of concern was that the legal infrastructure required to make FTTs effective was not in place:

*“Officers have found the use of flexible tenancies to be very problematic. The issues relating to forfeiture have been difficult to manage and we have found that there is a lack of understanding about this form of tenure at the County Court. There is also a huge amount of additional work involved in ensuring that the policy has been followed and that all the necessary work has been done in the run up to the end of each.” (LA, East of England)*

*“I would be interested to see how a judge would view a decision to end a tenancy on the basis that the person’s income has increased. We can struggle to end tenancy on clear breaches of ASB, rent arrears etc. so ending on other reasons might be contentious.” (HA, London)*

## Impact of FTTs on Tenants

When asked about the impact of FTTs on tenants, the balance of comments highlighted their likely negative impacts. There was considerable concern about the consequences of FTTs for tenants’ sense of rootedness and belonging to their local community, the threat of insecurity of tenure to their social networks in the long run, and on their wellbeing and health:

*“Although it is likely that many customers would qualify for a further tenancy following review, as so many social housing tenants are vulnerable, they could suffer increased stress and associated mental issues due to insecurity of tenure.” (HA, South West)*

*“FTT will affect sustainability on an estate. Tenants may not consider it their home and may not look after the property as well as they may do if they believe they can remain there for however long they wish. Having to move and the upheaval of moving along with the associated costs. Moving away from a network of friends/support they have built up over time” (LA, South East)*

*“uncertainty for tenants, less willingness for them to invest alongside the landlord in the fabric of their home. Lots of our long standing tenants make improvements to their home based on the fact they see it as a long term home. It has particularly negative impacts on families who potentially face the prospect of moving away from schools and other networks.” (HA, Yorkshire and Humber)*

As these quotes suggest, these were seen as a concerns for all fixed term tenants, but as potentially particularly damaging for those who are vulnerable, and families including children, given the potential impact on their schooling. Note however that several HAs saw FTTs as potentially beneficial to vulnerable tenants who could have any support needs identified sooner in virtue of FTT review processes. In general, a number of HAs saw FTTs as meaning that they would have *“a better understanding of their tenants and their needs”* (HA, multi-region).

An additional concern was the potential work disincentive effects of income related renewal-criteria:

*“It may discourage tenants of social housing from bettering themselves financially, if there is then a risk of them losing their home.”* (LA, East Midlands)

*“A lack of incentive to seek employment (it may be that when FTTs are reviewed at the end of the fixed term a non-working tenant will have the tenancy extended and a working tenant will not)”* (LA, South East)

*“it could lead people to limit how much they progress, e.g. in jobs as they may be scared of being made to go to the private sector which is generally unaffordable for a lot of people.”* (HA, East of England)

A handful of landlords also raised concerns that FTTs might incentivise some concerned tenants to ‘falsify’ their circumstances in order to retain their home, create an ‘antagonistic relationship’ with landlords from the start, and that FTTs placed the burden of costs to move regularly unfairly on already lower income households.

Some respondents commented that in their experience tenants were unconcerned about the fixed term nature of their tenancy, for instance due to a history of homelessness and living in the PRS:

*“Tenants accept FTTs without question. It is a more secure tenure than the private sector. Tenants looking for larger accommodation are often surprised that we can’t make secure tenants who are under occupying move to smaller accommodation.”* (LA, South West)

*“The customer base is changing and some new tenants are not concerned by FTTs. The biggest reason for homelessness in the local area is the ending of private tenancy and tenants value the certainty of a 5-year FTT compared to the offer from the PRS which is usually much shorter.”* (HA, North West)

Concerningly, some respondents felt tenants were unaware of their fixed term tenancy status:

*“I am not sure that many of our tenants are aware that they have a FTT and that they will be shocked when it is due for renewal”* (London borough)

*“No impact apparent at the moment, as far as they are concerned they have a council house and no one is going to shift them!”* (LA, East of England)

*“I think most tenants don’t realise they are on a five year FTT despite it being really clearly explained to them. The offer is still better than the PRS.”* (HA, North West)

## Ethics of FTTs

Survey respondents were asked for their views on whether they thought their organisation *should* offer FTTs. Some refrained from answering as they viewed themselves as offering a response on behalf of their organisation, or viewed this simply as a ‘political decision’, but a total of 38 LAs and 58 HA respondents offered their personal views or sought to summarise the position of their organisation. In combination these responses begin to map the ethical contours of what appears to be a polarised debate about the proper role of social housing in the 21st Century.

### In Favour of FTTs

Around a third of respondents were firmly of the view that their organisations should adopt and continue to use FTTs. The primary rationale underpinning this view was that FTTs promise to facilitate ‘better’ – even ‘best’ – use of stock, with this judgement primarily related to ensuring those in the most need can access housing for a short-period, before moving on when income rises or household size changes, making room for those newly in need. From this perspective, ‘lifetime’ tenancies granted irrespective of tenants changing circumstances are morally problematic, as they fail to ‘track need’ over the longer term, with some comments highlighting the unfairness of tenants under-occupying social housing stock while families are in need of such accommodation:

*“[FTTs] enable us to make better use of stock. Should a tenancy in a falling housing stock be for life??” (LA, East of England)*

*“I believe that we should be implementing the flexible tenancies as this will enable the LA to ensure that the Housing stock meets the needs and demands within the borough. Local authorities’ housing stock is diminishing so I believe we need to ensure that the stock that is being retained meets the demand and needs of those requiring such accommodation.” (LA, South East)*

*“I think it is the right thing to do, if you need a social rented tenancy then you will have one and keep it for that period of need.” (HA, South East)*

*“FTTs will... see an end to the historic problem of seriously under-occupied family homes and will enable us to put these properties to much better use for the families most in need of them. I hope that they also see an increase in the take up of shared ownership properties where people’s circumstances change and they are able to afford different housing products – again leaving the social rented and affordable units for those most in need and this reducing housing waiting list numbers.” (HA, multi-region)*

*“I believe that FTT are a good way of ensuring that properties that are under occupying are bought back into the letting cycle. There is a great need for family size properties and too many residents living in properties with additional bedrooms that they do not require.” (HA, South East)*

Some respondents in this category also emphasised that they saw few downsides to using FTTs, commenting for instance that they *“have not seen any evidence from customers to indicate that they are unhappy with the offer of a FTT”* (HA, multi-region), that the *“vast majority”* will have their FTTs renewed, and that FTTs remain *“far more secure than tenants in the private rented sector”* (HA, multi-region).

Second, some other respondents subscribed to the view that FTTs were ethically defensible, even required, but in a more contingent sense, emphasising that it was the wider context of housing scarcity that necessitated a move away from security of tenure. Their somewhat reluctant tone might suggest that a better scenario would involve overcoming housing supply issues meaning that social tenancies did not have to be ‘rationed’ in this way:

*“Unfortunately, due to the lack of social housing, there can no longer be homes for life, and this policy gives landlords the flexibility to deal with tenants either under-occupying; or no longer in need of, social housing.” (LA, East Midlands)*

*“with such a high demand for the LA’s assistance, and a housing supply shortage including our private sector, there is little option other than that of helping tenants initially with housing, and then providing options for moving on when they are able.” (HA, multi-region)*

Third, a smaller group of those defending the ethical legitimacy of FTTs focussed on their impact on tenant behaviour and attitudes. This group saw FTTs as offering a means to improve tenants behaviour by *“encourag[ing] customers to maintain standards”* (HA, Yorkshire and Humber) or providing *“an added incentive to ensure tenants maintain their tenancy appropriately”* (HA, West Midlands). Some framed FTTs as not only enabling the ‘freeing up’ of stock for other households in housing-need, but also as supporting the social mobility of those encouraged to ‘move-on’, *“allow[ing] conversation about aspirations”* as one HA respondent put it (HA, South West). Others saw FTTs as a foundation for a more interventionist and supportive relationship with tenants that would ultimately prevent eviction of the tenant and associated costs to the landlord:

*“I hope that the possibility of not being able to stay in their properties if they break their agreements will encourage them to better use these services so that we can help people with their UC claims and the issues that bring[s] and avoid expensive rent arrears court cases and evictions.” (HA, multi-region)*

*“I think it fosters a better relationship between the organisation and tenant, by having review meetings we keep in touch with our tenants, it gives us an opportunity to check on the condition of properties and assist tenants in finding alternative accommodation which maybe more suited to their needs” (HA, multi-region)*

## **Against FTTs**

On the other side of this debate were the respondents (again around a third) who saw FTTs are clearly and profoundly ethically problematic. The primary normative rationale here focused on the harm insecurity of tenure is understood to inflict on tenants and neighbourhoods. Core to this narrative is the idea that people ‘need and deserve’ long term homes in which they can put down roots:

*“We should be offering people long-term homes and not just accommodation. Many people will never be able to afford other tenures but they should be able to put down roots which would help build communities. In areas with high house prices and high private rents, alternative tenures are unaffordable to people on middle and low incomes. It is unjust that households who are not on high incomes are expected to keep moving - and paying for the moves.” (LA, West Midlands)*

*“FTTs contribute to the residualisation of social housing, treating it as a temporary ‘welfare’ issue rather than as a sustainable tenure of choice.” (LA, North East)*

*“We do not wish to introduce flexible tenancies due to the impact upon development of strong communities and neighbourhoods.” (LA, South East)*

*“I don’t think [we] should offer FTT’s... the idea behind it is wrong. It does not encourage mixed communities and potentially penalises those that improve their situations. I think communities should be diverse and that occupants invest in their home and the community. A FTT goes against this.” (HA, South West)*

*“I believe that fixed term tenancies undermine social housing. The reason why people want social*

*housing is because of security of tenure and reasonable rents. There are lots of tools to deal with poor tenancy conduct. We do want to make the best use of stock – but it is very rare for a social housing tenant to have significantly more room than they need (owner occupiers often have ‘spare rooms’) and when they do and WISH to move we support them in doing so. Fixed Term Tenancies are arguably a disincentive to earning more money, decorating the property, taking a pride in the garden and becoming part of the community... There are tenancies and there are HOMES – and I believe that the latter is what people need and deserve.” (HA, multi-region)*

For some in this camp, FTTs are an expensive and resource intensive way of achieving profoundly negative consequences:

*“Personally I am not in favour of fixed term tenancies. I believe they will have a negative effect on tenants, neighbourhoods and will have minimal benefits for the business.” (HA, Yorkshire and Humber)*

*“They are not an effective way to manage tenant behaviour, and they create an unnecessary administrative burden, taking up resources which could be used getting to know and understand our tenants better.” (HA, multi-region)*

*“We suspect we will renew the vast majority (~95%) of FTTs... If that is the case, there are question marks over whether the use of FTTs offers value for money. Adopting FTTs means much greater expense and time dedicated to reporting, system changes, visits, policy creation and so on. It adds complexity for staff and residents. And all this is for perhaps a handful of non-renewals, which wouldn’t have been possible had the household been on an Assured Tenancy. It is highly unlikely the additional expense and complexity of offering FTTs will justify the outcomes in terms of making best use of stock.” (HA, multi-region)*

### **Moderate, Mixed or Ambivalent Views on FTTs**

Between these two sides of the debate, the remaining third of respondents occupied a middle-ground position, seeing FTTs as potentially ethically justified in some circumstances (high demand areas), for some tenants (large families likely to ‘shrink’ over time, those with temporary health issues requiring adaptations), or in some properties (new builds, large homes or those with specific adaptations). By the same token, it was often highlighted that FTTs simply didn’t make sense in some specific circumstances, for instance, for older tenants, those with disabilities or health-needs and in areas of low demand or where there is simply no available affordable stock to move e.g. smaller under-occupying households into. Other respondents in this group were happy with the defensibility of FTTs if longer terms (e.g. of 10-15 years) were used.

Another middle-ground position involved emphasising that the jury is still out on FTTs and that their legitimacy depends on the answer to specific questions on which there is currently insufficient evidence: How administratively costly are FTTs? How much stock do they ‘free-up’ in the medium to long-term? What are the impacts on the wellbeing and strength of tenants and communities? Several participants articulated the view that FTTs were justifiable in principle, but the case for their defensibility in practice still not settled:

*“I think they are a good idea in principle, we have started to devise a clear process but we have talked about issues relating to availability of suitable alternative accommodation, affordability etc. I am not convinced it will be as easy as hoped, particularly with CBL [choice based lettings] and customers’ expectations in relation to bidding.” (LA, South East)*

*“It may assist in using Council housing asset[s] more effectively by targeting tenancies to those that need it. However practical implications of monitoring tenants circumstances and collecting relevant*

*information may prove difficult... The theory is sound however the practical implementation may be more difficult and time consuming to ensure it is fair.” (LA, South East)*

As such, several respondents emphasised the need for more time, data and evaluation to assess the overall legitimacy of FTTs:

*“I think that organisations need to form a view alongside stakeholders including LAs based on the housing market and the needs for social housing in their area. If the benefits to the wider community of using fixed term tenancies can be demonstrated they may consider it worthwhile to pursue this as an approach... In parts of Australia I believe they use fix term tenancies but the reality is that most if not all are extended. If that is the case in schemes it seems little point in employing them as it creates uncertainty for tenants and costs for associations around administration.” (HA, Yorkshire and Humber)*

*“The reasons for using fixed term tenancies is understandable, however it has not yet been possible to measure whether they are creating the outcomes intended. There is a lot of work involved in issuing, monitoring, reviewing and renewing fixed term tenancies, which must be taken into account when reviewing their effectiveness. The legalities of the status of the fixed term upon expiry remains unclear and has yet to be tested by the courts, so in my experience in talking to legal advisors and other housing providers, there is uncertainty about how this will work in practice” (HA, South East)*

## Conclusions

This paper has drawn upon newly acquired online survey evidence to explore how social landlords, both local authorities and housing associations, have been employing the fixed-term tenancy flexibilities currently available to them, their experiences of doing so and their expectations about the impact and significance of further moves away from security of tenure in the future. Several key messages emerged from the quantitative and, especially, the qualitative evidence analysed.

The first and most significant for the sector is the striking polarisation between two camps who are pro- and anti-FTTs, albeit with a further group of ‘undecideds’ yet to have reached a firm view on their efficacy and ethical legitimacy. While it may well be the case that those with stronger views were more likely to respond to the survey, the open text material in particular points to a quite fundamental disagreement about the role and future of social housing in England. This concerns the apparent tension between two ‘competing visions’ of social housing: one focused on meeting the acute housing needs of high numbers of households by increasing the ‘flow’ through social housing (the ‘ambulance service’ model, see Fitzpatrick and Pawson, 2014), the other focused on meeting the longer-term and wider needs of households for stability, belonging and connectedness to their homes and communities.

Second, despite these polarised views, respondents on all sides of the debate emphasised or at least conceded that the ‘jury was still out’ on many of the practical consequences of FTTs including their administrative cost (initial and on-going), their impacts on tenants and communities, and their capacity to free up additional tenancies. So while around two-thirds of respondents or their organisations had strong ‘in principle’ views on FTTs, some movement in these positions may become apparent as experience of actual tenancy renewal processes builds up, and in particular as the extent, nature and impacts (both positive and negative) of non-renewals becomes clearer.

Third, what has emerged already is an apparent sharp disjuncture between on the one hand, the stated policy aims of FTTs, and indeed local motivations for adopting them (usually stock efficiency, minimising under-occupancy, and prioritising those in greatest need), and on the other, the actual policy and practice of those using them,

which suggests that they are being deployed at least as often to strengthen and reinforce tenants contractual obligations (to pay the rent and refrain from ASB). This raises important questions about the appropriateness and ethical legitimacy of using FTTs for these ‘behavioural’ purposes, for which, as some of our respondents commented, remedies – and associated procedural safeguards – already exist. This behavioural agenda very much underpinned the introduction of probationary tenancies, but not, ostensibly, FTTs. That said, it does reflect the assumptions of our tenants in earlier research that if they ‘kept their nose clean’ their tenancies would be renewed. The non-renewal of tenancies because tenants have too low (rather than too high) an income also cuts against the thrust of the case for introducing them, predicated so heavily on addressing need.

The next few years will see increasing numbers of the first tranche of FTTs deployed by social landlords come up for renewal, and may also see local authorities being compelled to use FTTs for new tenants for the first time. As such, disagreements regarding the nature and purpose of social housing revealed in this research will become increasingly important. Empirical evidence on the actual impacts of FTTs on landlords, tenants and communities needs to play a central role in these debates, but cannot ultimately settle the profound trade-off – exacerbated in contexts where there is an insufficient supply of social housing – between two competing visions of the future of social housing now being pursued in England.



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## Acronyms

ALMO	Arms-length management organisation
ASB	Anti-social behaviour
CIH	Chartered Institute of Housing
DCLG	Department for Communities and Local Government
FTT	Fixed term tenancy
HA	Housing association
HCA	Homes and Communities Agency
LA	Local authority
LHA	Local housing allowance
MHCLG	Ministry for Housing, Communities and Local Government
PRS	Private rented sector

### **About the study**

*Welfare Conditionality: Sanctions, Support and Behaviour Change* is a major five-year (2013-2018) programme of research funded by the Economic and Social Research Council. The project is creating an international and interdisciplinary focal point for social science research on welfare conditionality and brings together teams of researchers working in six English and Scottish Universities. The project's final findings are available at [www.welfareconditionality.ac.uk/publications](http://www.welfareconditionality.ac.uk/publications).

### **Acknowledgements**

The authors would like to express their gratitude to the local authority and housing association staff that took the time to complete the two surveys on which this report is based, and to the four organisations who piloted the survey for us. Our sincere thanks are also owed to Jon Land and the team at HQN for their support in circulating the survey to their members and to Faye Greaves (CIH) for her input into survey design and help with a number of other queries. We are also grateful to Tim Packer and Filip Sosenko (I-SPHERE) for their invaluable assistance processing survey data, editing and formatting this report. All views and any errors contained in this report are the responsibility of the authors.