

NOTTINGHAM CITY HOMES LIMITED
REGISTERED PROVIDER SHADOW BOARD MEETING



Date: THURSDAY 28 JANUARY 2016

Time: 7:30 PM

Place: TRAINING HOUSE MEETING ROOM, HARVEY ROAD DEPOT, BILBOROUGH,
NOTTINGHAM, NG8 3BB

Directors of the Board are requested to attend the above meeting on the date and at the time and place stated to transact the following business:

George Pashley
Company Secretary

AGENDA

	Page No.	Time
1. INTRODUCTORY ITEMS		
1.1 WELCOME	-	7.30
1.2 APOLOGIES FOR ABSENCE	-	
1.3 DECLARATION OF INTERESTS	-	
1.4 ITEMS FROM THE CHAIR	-	
2. GOVERNANCE		
2.1 COMPANY SECRETARY'S REPORT Report of the Company Secretary	Attached	7.35
• RP Articles of Association		
• Intra Group Agreement		
• Standing Orders		
• Audit and Risk Management arrangements		
• Probity, Tenancy and Allocations Policies		
3. CLOSING ITEMS		
3.1 ANY OTHER BUSINESS		
3.2 DATE OF NEXT MEETING Thursday 25 February 2016 at Bulwell Academy		

Members wishing to raise matters under Any Other Business should note that items will only be accepted if referred to and agreed by the Chair of the Board prior to commencement of the Meeting. Members wishing to submit their apologies should do so by contacting the Company Secretariat on 0115 746 9485. This agenda was issued by email on 21 January 2016.

NOTTINGHAM CITY HOMES REGISTERED PROVIDER

REPORT OF THE COMPANY SECRETARY

THE SHADOW BOARD
28 JANUARY 2016

COMPANY SECRETARY'S REPORT

1 SUMMARY

- 1.1 This report sets out the administrative and governance matters requiring consideration and agreement by the Shadow Board of Nottingham City Homes Registered Provider Limited ("the RP") as part of the final submission for RP status to the HCA. It focusses on the arrangements for establishing subsidiary companies

2 RECOMMENDATIONS

It is recommended that the Board agrees to:

- 2.1 Operate as a Shadow Board until registration with the HCA.
2.2 Adopt the Articles of Association for the RP.
2.3 Agree the Intra Group Agreement (IGA).
2.4 Agree the NCH Group Standing Orders.
2.5 Agree the Allocation, Tenancy and Probity Policies for NCH RP.

3 REPORT

3.1 MODUS OPERANDI

- 3.1.1 As part of the Detailed Registration Application, the HCA will require that the RP has in place effective governance arrangements, policies and procedures to enable it to best discharge its duties and responsibilities as a Registered Provider. This requires that the RP has in place a number of governing instruments, policies and procedures so that it is able to 'go live' from the day of registration.
- 3.1.2 However, even though it is likely the Board will be coterminous in the beginning, this may not always be the case and the HCA will expect the RP to demonstrate a degree of independence.
- 3.1.3 The usual method is for the Board to act in "Shadow" form. This means the Shadow Board can act and make decisions in preparation for going live. Upon gaining registration, the Shadow Board then becomes the proper Board. The Board can then ratify all the decisions it made in shadow form.
- 3.1.4 Members are therefore asked to **agree** to operate as a coterminous Board, operating in shadow form until final registration with the HCA.

3.2 GOVERNANCE AND CONSTITUTIONAL CHANGES REQUIRED TO SUPPORT THE CREATION OF THE REGISTERED PROVIDER SUBSIDIARY

3.2.1 This part of the report includes the following items with regard to the establishment of the RP

- NCH RP articles
- The NCH Intra Group Agreement
- NCH Standing orders
- Risk Management Arrangements

Draft articles and the Intra Group Agreement were circulated in advance of the November Board Meeting and circulated again in advance of this one. Board Members have also had the opportunity to be briefed by Anthony Collins on these. These documents may be subject to further changes as the new subsidiaries develop. Board will be consulted on these as and when they arise.

RP ARTICLES OF ASSOCIATION

3.2.2 Members are aware that as an independent company, NCH RP is required to have its own Articles of Association.

3.2.3 Subject to any amendments agreed at the Governing Board meeting, Board is asked to **agree** the NCH RP Articles of Association.

INTRA GROUP AGREEMENT (IGA)

3.2.4 The Intra Group Agreement was discussed at the Governing Board meeting immediately preceding the NCH RP Board Meeting.

3.2.5 Subject to any amendments agreed at the Governing Board meeting, the Board is asked to **agree** the Intra Group Agreement.

STANDING ORDERS

3.2.6 The NCH Group Standing Orders were included and discussed at the Governing Board meeting immediately preceding the NCH RP Board Meeting.

3.2.7 Subject to any amendments agreed at the Governing Board meeting, Members are asked to **agree** to adopt the NCH Group Standing Orders.

ALLOCATIONS, TENANCY AND PROBITY POLICIES

3.2.8 Probity Policy

Until April 2010 RPs were legally obliged to comply with Schedule 1 of the Housing Act which prohibited the payment or granting of non-contractual benefits to Board Members, employees and their close relatives. The implementation of the Housing and Regeneration Act 2008 meant that Schedule 1 no longer applied to RPs in England. Since this time all RPs have been responsible for policing themselves, so have adopted policies that generally reflect the requirements of Schedule 1. The attached Probity Policy covers the requirements of Schedule 1.

3.2.9 Allocations and Tenancy Policies

The HCA requires that Registered Providers are managed in accordance with their Economic and Consumer standards. The Economic standard includes the Rent standard and the Consumer standard includes the Tenancy standard. The Allocations and Tenancy policies attached ensure that the RP complies with the Rent and Tenancy standards, although it should be noted that the rent increase provisions for Affordable Rents in the Rent standard are currently subject to amendment by the HCA. The Tenancy policy will require some amendment once the provisions for the extension of the Right to Buy to Registered Providers are announced.

3.2.10 These policies are required by the Homes and Communities Agency (HCA) as part of its Registered Provider application process. The policies are provided as the following appendices:

Appendix A – Probity Policy
Appendix B – Allocations Policy
Appendix C – Tenancy Policy

The policies were previously introduced to Members during the Anthony Collins LLP sessions.

3.2.11 The Board is requested to review and comment on the three policies provided and **agree** to approve them for adoption for NCH RP and inclusion in the detailed submission to the HCA.

3.3 OUTSTANDING MATTERS CODE OF CONDUCT/STRESS TESTING/BUSINESS PLAN/NHF COMPLIANCE

3.3.1 There are several issues to be completed before the RP bid can be submitted. These include

- Final revision of the Board Code of Conduct
- A process for stress testing
- Evidence of compliance with the 2015 NHF Code of Governance
- Completion of the RP Business Plan

3.3.2 These will be submitted to the Board for agreement in February.

4 **FINANCIAL, LEGAL AND RISK IMPLICATIONS**

4.1 Financial Implications

4.1.2 There are no significant implications; costs will be contained within previously agreed existing budgets.

4.2 Legal Implications

4.2.1 All of the initiatives within this report are carried out within legislation and NCH's Governance processes. Legal implications are set out in the report where appropriate and items relating to the formation of the Registered

Provider are subject to legal advice from Anthony Collins LLP.

4.3 Risk Implications

4.3.1 The Corporate Risk Register sets out NCH's approach to risk mitigation including the items set out in this report.

4.3.2 Failure to have a robust risk framework could impact on the NCH RP's ability to fulfil its responsibilities and have an adverse reputational effect on the Company.

5 **IMPLICATIONS FOR NOTTINGHAM CITY HOMES OBJECTIVES**

5.1 The attached papers will have a significant impact for NCH achieving its corporate objectives, set out in the Corporate Plan and associated high level corporate commercial, financial and business plans.

6 **EQUALITY IMPACT ASSESSMENT**

6.1 Has the equality impact of these proposals been assessed?

Yes (EIA attached)

No (this report does not contain proposals for significant changes to process at this stage)

7 **BACKGROUND MATERIAL AND PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT**

7.1 Memorandum and Articles of Association (NCH & RP)
Intragroup Agreement & Services Agreement
Company Standing Orders - Part 1 Governance
Companies Act 2006
Housing Regulatory Framework 2015

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DATE: 21 January 2016

APPENDIX A

NOTTINGHAM CITY HOMES REGISTERED PROVIDER LTD

PROBITY POLICY

1. INTRODUCTION

Probity within the housing sector is no longer determined by statute so it is even more important to set out our expectations around values, probity and standards of conduct in the business. No one individual, whether they are a board member, committee member, co-optee or an employee (all referred to in this policy as 'NCHRP Colleagues') should gain any inappropriate benefit from their association with the organisation and they should try to avoid situations which might create a real or perceived conflict of interest between their personal interests and their duties to NCHRP.

Shareholders

There is a specific legal requirement that applies to shareholders of group companies (s122, Housing & Regeneration Act 2008 which we must comply with (see 5 below).

Referenced Documents

In developing this policy we have taken account of the following documents:

- Standing Orders (Part 1- Governance)
- National Housing Federation Code of Governance – Excellence in Standards of Conduct – Code for Members
- Board Members Code of Conduct
- Recruitment Policy
- Procurement Policy

2. SCOPE

This policy applies to all NCHRP Colleagues and their close relatives.

3. POLICY OBJECTIVE AND AIMS

Objective

The objective of this policy is to ensure that we can demonstrate that the highest standards of probity and conduct are part of everything we do.

Aims

This Policy aims to ensure that NCHRP:

- Complies with legislation (s122, Housing and Regeneration Act 2008; the Bribery Act 2010)
- Complies with regulatory requirements;
- Meets best practice

4. PRINCIPLES

Accountability

everything we do must be able to stand the test of scrutiny, propriety and professional codes of conduct.

Probity

we must demonstrate honesty, integrity and high ethical standards of personal and professional conduct in all we do.

Decisions should be fair and open and not treat or appear to treat NCHRP colleagues (or their close relatives) any more favourably than anyone else.

Openness we must be open about our activities to encourage confidence between NCHRP and its stakeholders.

5. SPECIFIC BOARD DELEGATIONS ON MATTERS OF PROBITY

Section 7.4 of Standing Orders (Part 1 – Governance) sets out specific Board delegations on matters of probity that require specific approval. It details which positions within the Group have been delegated by each Board to make such approval decisions, and any arrangements for subsequent reporting where a decision relating to such a delegation has taken place.

6. POLICY

Probity – day to day operations

All NCHRP Colleagues should uphold the above principles.

Board members have a duty to ensure that NCHRP's assets are kept safe and are properly used.

Accounting, tendering, the provision of housing and employment practices within NCHRP must reflect the highest professional standards. We will be particularly careful when considering the employment of, or the granting of housing or a contract for services to, a NCHRP Colleague (or their close relative) so it is clear that no preference was shown to that person. Our approach to these matters is set out in Standing Orders (Part 1 – Governance) and relevant supporting policies e.g. Procurement Policy, Allocation Policy; Recruitment Policy; Remuneration Policies; Severance & Redundancy payments etc.

Probity – conflict of interest

NCHRP Colleagues should act impartially and not be influenced by social or business relationships. They should not use their position in NCHRP for their own interests.

Where there is a potential for a private interest to be material and conflict with NCHRP business, this should be declared. All board members, committee members, Executives and senior managers must tell us (via the Governance Team) about any directorships, other significant positions/interests, business interests, including any other positions held in the housing sector, and any connection with anybody contracting with NCHRP. Any such conflict (or potential conflict of interest) will be recorded in the Register of Interests.

When a conflict of interest is established, everyone must comply with the procedure for dealing with Conflicts of Interest. Any failure to comply may be regarded as misconduct or serious misconduct, depending on the nature of the conflict of interest, and may be subject to disciplinary action.

Probity - bribery

As set out above, our expectation is that all NCHRP Colleagues will demonstrate the highest standards of honesty, integrity and fairness in their business dealings. We expect the same standards from our business partners.

NCHRP will not tolerate any bribery or corruption in any form. We will make sure that our business partners understand our approach to combating bribery and corruption by publishing this policy and, where appropriate, including relevant contract clauses.

Our approach will be supported by appropriate guidance and procedures to ensure that NCHRP Colleagues:

- Do not offer, accept or demand a bribe (including excessive gifts and hospitality) in order to get or keep business, or gain any other improper advantage;
- Do not offer, nor give in to demands, to make illicit or illegal payments to anyone that we do business with;
- Engage and pay agents and other third parties only for legitimate services and ensure we have transparent procurement processes;
- Comply with NCHRP's financial, auditing and management control systems that discourage bribery and corruption;
- Do not make illegal or inappropriate contributions to candidates for public office or to political parties/organisations;

Probity – gifts and hospitality offered by NCHRP Colleagues

All NCHRP Colleagues should be aware of their responsibilities in relation to expenditure on gifts or hospitality as any ill-considered actions could damage our reputation. Board members should set an example when using NCHRP funds.

Any money spent on gifts and hospitality should be reasonable and justifiable and in line with the guidance provided by Nottingham City Homes (NCH) which sets out when and how gifts and hospitality can be offered. This guidance will also apply to NCHRP.

Probity – gifts and hospitality - third parties to NCHRP Colleagues

Any offer should be carefully considered before it is accepted.

NCHRP Colleagues should be very conscious of the risks in accepting any gift or hospitality as this could be interpreted in the wrong way by either the person making the offer, NCHRP Colleagues or by members of the public.

Any gifts and hospitality **accepted by** NCHRP Colleagues should be reasonable and justifiable and in line with the guidance provided by Nottingham City Homes. This guidance will also apply to NCHRP.

A Register is kept by the Governance Team to record gifts and hospitality given and received, as set out in the guidance.

Payments & benefits to Shareholders

Under s122, Housing & Regeneration Act anyone who is a current or recent shareholder in a group company cannot be paid a gift, dividend or bonus.

Payments & benefits to Board Members and their close relatives (Employment contracts and contracts for goods and services)

Any employment contract, contract for personal services or contract for the supply of goods/services (a 'Contract') will **not be granted** to a Board member or someone who has recently been a Board member or a Connected Person **other than in exceptional circumstances**.

A Contract **may only be granted** to a Board member or someone who has recently been a Board member or a Connected Person with the approval of the Audit Committee after full consideration of the particular circumstances and:

- statutory and regulatory requirements
- public perception.

Openness and transparency

NCHRP is committed to acting in an open, transparent and accountable way.

We will:

- Make sure that all public statements and reports are clear, comprehensive, balanced and fully represent the facts;
- Show a willingness to be open with our customers and stakeholders;
- Carry out appropriate consultation before major changes are decided;
- Keep personal information confidential at all times.

Colleagues – confidential reporting (whistleblowing)

The Board, together with the Executive Team, seeks to create a culture that gives colleagues the confidence to be open, or voice their concerns or complaints, about breaches of this Policy, dishonesty, fraud, bribery or any kind of maladministration. To help with this, we will put in place an appropriate Anti-Fraud, Corruption and Whistleblowing Policy.

7. RESPONSIBILITIES

Board

The Board have a clear responsibility to set a vigorous and visible example of the standards of probity and conduct expected from all NCHRP Colleagues.

The Board has ultimate responsibility for ensuring that NCHRP's policies and procedures set out and maintain the standards of probity required.

Executive Team and Managers

The Executive Team and managers will make sure that all colleagues are aware of, and meet, their responsibilities under this Probity Policy.

Company Secretary

The Company Secretary will oversee implementation and compliance.

NCHRP Colleagues

All NCHRP Colleagues must comply with this Policy and uphold the highest standards of probity while they are associated with NCHRP.

8. EQUALITY AND DIVERSITY

We value diversity and aim to make all our policies and practices accessible, responsive and sensitive to the diverse needs of individuals so that we deliver services that fit people.

This Probity Policy supports this by ensuring we use our resources fairly and properly.

9. MONITORING AND REPORTING

The Company Secretary will:

- Report annually to the Board on compliance with this policy;
- Publish annually a report on compliance with this policy
- Maintain, review, and update the Audit Committee (annually) on, the Registers of (i) Interests, (ii) gifts and hospitality and (iii) Board Members Contracts.

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APPENDIX B

NOTTINGHAM CITY HOMES REGISTERED PROVIDER LTD

ALLOCATIONS POLICY

1. OVERVIEW

1.1 This policy sets out how the NCHRP intends to allocate and re-let properties to both new and existing customers

1.2 NCHRP aims to allocate properties as efficiently as possible, giving reasonable priority to those in most housing need. NCHRP will allocate properties so that it makes the best use of its housing stock, meeting the needs of a diverse range of customers and promoting mobility for housing applicants. NCHRP will allocate its properties so that it contributes to sustainable communities and to the strategic housing function of Nottingham City Council (NCC)

1.3 We are committed to ensuring equality of opportunity and wish to ensure fair access to all aspects of the service that we provide.

1.4 We aim to operate a transparent system of allocating vacant stock which is straight forward and simple to understand.

1.5 In producing this policy we have taken account of the following documents:

- NCH Equality and Diversity Strategy 2015-2018
- NCH Equality and Diversity Policy
- NCC Housing Allocations Policy
- The Regulatory Framework for Social Housing in England from April 2015
- Localism Act 2011
- Welfare Reform Act 2012

2. POLICY AIMS AND SCOPE

2.1 This Policy helps deliver one of the goals of NCHRP to be a major player in transforming the quality of life in our neighbourhoods. Specifically this Policy aims to:

- Ensure consistency of practice in the allocation and letting of our homes.
- Operate a policy to reflect the communities we work in and to ensure that these communities are sustainable
- Provide customers with a simple, clear and easy way to register and access our housing
- Provide choice and mobility for customers
- Minimise the time that properties are left unoccupied
- Take a pro-active approach to ensure that no individual or group is discriminated against or treated differently as a direct or indirect result of our allocations policy.

3. DEFINITIONS

3.1 Choice Based Lettings (CBL)

These schemes are often established by partnerships of local authorities and/or housing associations. CBLs are designed to introduce an element of choice for people applying for council and housing association homes, by requesting applicants to bid for homes that are advertised as being available, rather than waiting to be offered housing. The allocation of the home is based upon a priority based assessment of need of those who have made a bid.

3.2 Direct Allocations

Properties that are advertised and re-let directly by the association on the principle of first come, first served basis, whilst demonstrating a need for housing set out in the eligibility criteria.

4. OUR APPROACH

4.1 Choice Based Lettings

4.1.1 All NCHRP's applications for housing are administered through and processed by the Nottingham HomeLink Choice Based Lettings scheme, which is operated by Nottingham City Homes (NCH) on behalf of Nottingham City Council (NCC) and its Registered Provider partners. This policy should therefore be read in conjunction with the NCC Housing Allocations Policy.

4.1.2 Detail of how Nottingham HomeLink operates is provided in NCC's Housing Allocations Policy. Information is also available from the website www.nottinghamHomeLink.org.uk and in the leaflet 'Guide to Nottingham HomeLink' which is available from any NCH area housing office, and from the offices of the HomeLink partners.

4.2 Direct Allocations

4.2.1 There are sometimes cases where it is necessary to make offers to applicants not appearing on a Choice Based Lettings shortlist, for example urgent housing management cases, where the applicant is unable to participate in the bidding process or certain properties which require sensitive letting due to, for example, the nature of the accommodation. Such cases are exceptional and are considered in line with the Direct Allocations provisions of the NCC Allocations Policy.

4.3 Hard to Let

4.3.1 We also acknowledge that NCHRP may have to use alternative methods of advertising when properties are hard to let.

4.3.2 A hard to let property will have had failed advertising cycles. Properties that may be Hard to Let will be identified at termination and strategies for advertising and/or incentives may be agreed with the relevant NCHRP representative in order to secure a successful and timely letting.

4.3.3 Multiple viewings after shortlisting will be carried out wherever possible, assuming that there are sufficient applicants with an interest in the property.

4.3.4 Where a property is going to incur a substantial re-let cost or is situated in a Hard to Let area, consideration will be given to its sale.

4.4 Local Lettings Policies

4.4.1 In the interest of sustainable, manageable communities, 'Local Lettings Policies' (LLPs) are applied in certain for sound management reasons.

4.4.2 This will usually mean that certain restrictions are placed on the letting of properties within the area.

4.4.3 LLPs are reviewed regularly and every attempt is made to keep the use of Local Lettings Policies to an absolute minimum.

4.4.4 A LLP will only be established when there is sufficient evidence to warrant it. The reason for it will be recorded, including a clear definition of the particular problem to be addressed, timescale and how the outcome will be measured.

4.5 Lettings outcomes monitoring

4.5.1 We record all lettings as required by the Continuous Recording of Lettings (CORE) system.

4.5.2 Data will be gathered on a quarterly basis to show:

- Tenant satisfaction with the lettings process
- Tenant satisfaction with the allocated property
- Lettings completed by Equality Act 2010 protected characteristics
- Refusals of lettings by Equality Act 2010 protected characteristics

4.5.3 Data will be gathered on a weekly basis to show:

- The average re-let period
- The total void loss
- The average cost of a re-let

4.5.4 This data will be reviewed regularly by the Executive Management Team.

5. APPEALS AND COMPLAINTS

5.1 The NCC Housing Allocations Policy provides for an Allocations & Tenancy Management Panel that meets regularly to consider and make decisions various allocation matters. This includes considering and confirming appeals of decisions from applicants to either not allow them onto the Housing Register, to take them off the register, or to impose any restriction on an application because of a risk identified as a result of a risk assessment which includes the applicants unacceptable behaviour.

5.2 If applicants for housing feel their application has not been dealt with in accordance with this policy, or that any representative of NCHRP has unfairly or unreasonably, then they may make a complaint under the NCHRP Compliments, Comments, Complaints Policy

6. REVIEWING THE POLICY

NCHRP will review this Allocations Policy periodically so that it can determine its effectiveness and assess whether any changes are required. This includes taking into account any changes in legislation that impact on the policy. Feedback and comment from individuals and organisations on the operation of the Allocations Policy will be taken into account during the policy review.

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APPENDIX C

NOTTINGHAM CITY HOMES REGISTERED PROVIDER TENANCY POLICY

1. OVERVIEW

This policy links with NCHRP's Allocations Policy and explains the different types of tenancy agreements we use and the circumstances when we may use them.

The key aims and objectives of the policy are to:

- Meet the requirements set out by our regulator, the Homes and Communities Agency (HCA). The HCA Tenancy Standard requires that registered providers of social housing must issue tenancies which are compatible with the purpose of the accommodation, the needs of individual households, the sustainability of the community and the efficient use of their housing stock.
- Provide tailored support to all new tenants to ensure that every opportunity is explored to enable them to maintain their tenancy.
- Reduce tenancy turnover by increasing the average length of a tenancy and minimising void periods to enable continued investment in our communities and neighbourhoods.
- Achieve maximum customer satisfaction by sending out a clear message to tenants and others that nuisance and anti-social behaviour is taken seriously by NCHRP
- Enable effective support for and management of the communities and neighbourhoods in which NCHRP operates.

In producing this policy we have taken account of the following documents:

- NCC Housing Allocations Policy
- NCHRP Allocations Policy
- The Regulatory Framework for Social Housing in England from April 2015, including the Tenancy Standard.
- NCH Equality and Diversity Strategy
- Localism Act 2011
- Welfare Reform Act 2012

2. DEFINITIONS

Assured Tenancy

A tenancy with no time limit granted under the Housing Act 1988 (as amended by the Housing Act 1996). It is not an Assured Shorthold tenancy.

Assured Shorthold Tenancy

A tenancy granted under the Housing Act 1996, which gives the tenant the right to occupy a property for a fixed period of time, provided that they keep to the terms of their tenancy agreement. At the end of the fixed period of time (often 12 months), the landlord or the tenant has the right to terminate the tenancy. Assured Shorthold tenancies can be renewed for another fixed period of time if both parties agree to it.

Affordable Rent

Under a supply agreement with the Homes and Communities Agency (HCA), Registered Providers (RPs) are able to offer tenancies let at an Affordable Rent. An Affordable Rent is up to 80% of the local Market Rent, which is based on an average of rents charged on privately rented properties. It is higher than the Social Rent for a property of this type in the area but will not exceed the Local Housing Allowance. Affordable rents are inclusive of service charges.

3. TENANCY TYPES

When letting new build developments and on re-let, NCHRP will issue new tenants with an Starter tenancy (Assured Shorthold Tenancy) which will convert after 12 months to a lifetime tenancy (Assured Tenancy).

3.1 Assured Shorthold Tenancy (AST) Agreement (Starter Tenancy)

Starter Tenancies are an assured shorthold tenancy for the first twelve months, or if extended, for 18 months. If NCHRP does not end the tenancy or extend it, it will automatically convert to a periodic tenancy. During the starter tenancy period NCHRP can seek possession at any time provided that the tenant is given two months' notice. However, the earliest that a court will order a tenant to give up possession under a periodic AST is six months after the date the tenancy commenced.

3.1.1 Allocations

3.1.1.1 Information about Starter Tenancies should be delivered at various stages of the allocation process.

3.1.1.2 The offer letter should explain that the tenancy will initially be a Starter Tenancy. The Affordable Rent Starter Tenancy information sheet will be sent with the offer letter.

3.1.1.3 At the sign up stage, the relevant NCHRP representative should talk through the information that has been provided to ensure that the new tenant fully understands the situation. The following information needs to be explained:

- Why and how Starter Tenancies are being used
- The duration of the starter period
- NCHRP's commitment to dealing with anti-social behaviour
- The arrangements for monitoring the tenancy by the relevant NCHRP representative.
- The tenancy review process
- The implications of failing to meet responsibilities

- What will happen at the end of the starter period

3.1.1.4 Tenants should be told that they can assume that their tenancy will automatically convert to an Assured Tenancy after 12 months unless they are informed otherwise during the starter period.

3.1.2 Managing starter tenancies

3.1.2.1 Once a tenant has been signed up, it is important that the Starter Tenancy is carefully monitored throughout its duration and that problems are addressed as soon as they arise.

3.1.2.2 All new starter tenants will be visited or contacted within four weeks after the commencement of their tenancy. Issues covered at this visit should include:

- Problems with claiming Housing Benefit/paying rent
- Outstanding repairs
- Conduct of the tenancy
- Advice/information on the local community
- Links with local residents

3.1.2.3 Starter tenants will be visited or contacted after 9 months of tenancy commencement.

3.1.2.4 Additional visits may be made to discuss any specific problems that arise during the course of the tenancy.

3.1.2.5 Details of all visits should be recorded on file and on the housing management system. Any agreements made in interviews should be confirmed in writing. The tenant should always be given the opportunity to remedy the situation.

3.1.3 Tenancy Review

3.1.3.1 Approximately 3 months before the end of the Starter Tenancy, the relevant NCHRP representative should conduct a tenancy review. The review is carried out at this stage so that a decision can be made in sufficient time for a notice requiring possession (Section 21 Notice) to be served before the expiry of the starter period.

3.1.3.2 The review should cover the following:

- Any incidents/complaints of nuisance/anti-social behaviour
- Warnings
- How the tenant has responded to any warnings
- The tenant's payment record

3.1.4 Courses of Action at the End of the Starter Period

3.1.4.1 At the end of the Starter Tenancy, three courses of action are open:

- Allowing a Starter Tenancy to become a full assured tenancy
- Terminating the Starter Tenancy
- Extending the Starter Tenancy for a further period of 6 months

3.1.4.2 Any Section 21(4) Notice Requiring Possession will only become null and void when the tenant has been notified in writing that the notice has been withdrawn. The tenancy will convert to an assured tenancy on the day following the service on the tenant of the letter withdrawing the Notice Requiring Possession.

3.1.5 Allowing the Starter Tenancy to convert into a full assured periodic tenancy

3.1.5.1 It is expected that in most cases Starter Tenancies will convert to full Assured tenancies at the end of the starter period.

3.1.5.2 The status of the tenancy should be changed on the housing management system to an Assured Tenancy.

3.1.6 Ending a Starter Tenancy by Terminating the Tenancy

3.1.6.1 If there is sufficient evidence for the starter tenancy not to be converted to an assured tenancy, the case should be reviewed by the relevant NCHRP representative, taking into account the requirements of the Equalities Act 2010. We will look at each case individually when we consider ending a tenancy. However, examples of behaviour which could lead us to consider ending a Starter Tenancy include:

- Excessive noise, including loud music, musical instruments etc
- Offensive drunk and disorderly behaviour, trespassing or dumping rubbish
- Using abusive language or insulting words or behaviour because of someone's personal circumstances (including race, gender, religion, mental or physical disability, age, sexual orientation or appearance)
- Using, or threatening to use, violence
- Criminal activity, including using or selling drugs, prostitution, theft or burglary
- Allowing the property and/or garden to get into very poor condition, including deliberate damage, vandalism or graffiti
- Allowing pets to cause a serious nuisance to neighbours.

If a starter tenant's rent account falls into arrears we will follow our standard procedures to recover the money. We may serve a Notice to end the starter tenancy if all our procedures have been followed and regular contact has been made, ensuring Housing Benefit is in place etc, and the starter tenant is clearly:

- Not making any effort to repay your arrears and/or
- Not keeping to agreed repayment arrangements.

3.1.6.2 If the starter tenancy has been extended for 6 months a review should be carried out 2 months before the end of the extended period ie 16 months since the start of the tenancy. The review will decide if the starter tenancy should convert to a full assured Tenancy or if possession proceedings should be restarted. The tenant/licensee should be informed of the decision of the review.

3.1.6.3 Before the service of the S21 Notice or extension notice, a letter should be sent to the starter tenant outlining the reasons why the service of a S21 Notice or extension of tenancy is being considered. The letter should ask for a response to the allegations and offer an interview with the Area Housing Manager within 7 days of receipt of the letter. Any representation must be considered before the service of the S21 Notice.

3.1.6.4 When, after considering any representations and the outcome of the meeting, a decision has been made to terminate the tenancy, the tenant should be notified in writing and issued with a Housing Act 1988, Section 21(4) Notice Requiring Possession, before the end of the 12 month period.

NB Where exceptional circumstances apply, eg serious criminality, NCHRP reserves the right to act to protect victims by serving a Section 21 Notice on a perpetrator without prior warning letters, subject to discussions between the relevant NCHRP representatives, which must be documented.

4.1.6.6 Tenant should be provided, along with the Notice Requiring Possession, with a letter stating:

- The reasons for the decision
- That permission will be sought from the relevant NCHRP representative to evict the tenant if they have not moved out of the property at the expiry of the notice.
- That tenants can contest the decision to end their tenancy by sending a written representation to the Tenancy Management Panel within 14 days of receipt of the notice, detailing their reasons for contesting the decision.
- That tenants can request an Oral Review Hearing, to which they can bring legal or other assistance and witnesses of their choice
- Information on places where advice can be sought
- Where a tenancy is being extended a letter giving notice of the extension will be sent to the tenant giving right of appeal

4.7 Oral Review Hearing

The Tenancy Management Panel carries out the reviews. The Panel comprises Reviewing Officers including the Rent Manager and Enforcement Officer and, where there have been complaints of ASB, the Area Housing Manager is also present. The Panel can make the following decisions:

4.7.1 Section 21 Notices

- Cancel the notice and convert the tenancy
- Uphold the notice and for legal action to repossess the property to begin after the notice expiry date

4.7.2 Extending Tenancies

- Cancel the extension and convert the tenancy
- Uphold the extension

4.7.3 A letter should be sent to the tenant/licensee stating the decision of the Panel. The letter must give clear reasons why the decision has been made. It should also clearly state that the matters raised by the tenant/licensee have been considered.

4.7.4 If the tenant is still in breach of tenancy conditions and has not left the property on expiry of the notice, authority to evict has to have been granted by the relevant NCHRP representative using the Tenancy Eviction Recommendation Form.

4.7.5 The following information will be supplied to the relevant NCHRP representative:

- Tenancy details
- Complainant/s details
- Summary of complaints
- List of incidents/nuisance (Detailed diary notes should be attached as an Appendix)
- Written representation from tenant and any response from NCHRP
- Minutes of the Oral Review Hearing
- Date of service of Notice and expiry
- Details of approach to NCC/rehousing options
- Recommendation from Rents Manager/Area Housing Manager

4.7.6 Once the relevant NCHRP representative has given authority to evict, NCHRP can then apply to the Court for a Possession order using the accelerated procedure. No court hearing is required. If the tenant does not leave on the date given by the court a Warrant of Possession requesting the County Court Bailiff to evict the tenant is requested.

4.8 Managing An Extended Starter Tenancy

4.8.1 The behaviour of the tenant should be monitored closely. If the relevant NCHRP representative is of the opinion that the starter tenancy should be allowed to convert to an assured tenancy, action should be agreed with the relevant NCHRP representative.

4.8.2 A letter should then be sent to the tenant/s stating that the tenancy will convert to an assured tenancy on the day following the service of the letter.

4.8.3 If at the 4 month review of the extended starter tenancy there are breaches of tenancy a new S21 Notice should be issued.

4.9 Monitoring Starter Tenancies

In order to monitor the effectiveness of using starter tenancies the following information is collected:

- Number of tenancies created
- Number of Notices Requiring Possession
- Reasons for ending the Starter Tenancy
- Number of Court Orders for Possession
- Number of evictions carried out

4. TENANCY RIGHTS

5.1 Right to Acquire

Tenants of Registered Providers have the Right to Acquire which allows them to buy their home at a discount if it was funded by a Social Housing Grant. Starter tenants do not have the Right to Acquire but they do once their tenancy converts to an Assured Tenancy.

5.2 Succession

For both Assured and Starter tenancies, where there is a joint tenancy, it automatically continues for the other joint tenant on the death of one of the tenants. If the tenancy is a sole tenancy, the tenancy can be passed on to a spouse, civil partner or cohabiting partner if they are occupying the property as their only or principal home at the time of the sole tenant's death. If the sole tenant did not have a partner living with them, the tenancy can pass to another family member etc living with them, if the tenancy agreement allows for this.

5.3 Transfers and Mutual Exchanges

5.3.1 Tenants with a Starter tenancy do not have the right to transfer or exchange to another NCHRP property, another Registered Social Landlord (RSL) property or to a Nottingham City Homes or other local authority property.

5.3.2 In accordance with the HCA Tenancy Standards, tenants with an existing social tenancy must be given a tenancy with no less security where they choose to move to another social rented home. For instance, existing NCH tenants who are granted a transfer to a NCHRP home will be granted an Assured Tenancy at an Affordable Rent.

5.3.3 Starter tenants are not entitled to apply for a letting through exchange schemes.

5.3.4 Tenants with Assured tenancies may exchange to another affordable or social rented property. NCHRP will promote mutual exchange as a way of encouraging tenant mobility. We will do this by:

- informing tenants of their right to exchange in the residents' handbook;
- encouraging mutual exchange in addition to or as an alternative to a transfer; and facilitating access to an online mutual exchange register.

5.3.5 When a mutual exchange takes places the exchange partners 'swap' their tenancies. For all of the potential ways tenancy conditions may change and different methods of exchange please refer to the Mutual Exchange Policy.

6. REVIEWING THE POLICY

NCHRP will review this Tenancy Policy periodically so that it can determine its effectiveness and assess whether any changes are required. This includes taking into account any changes in legislation that impact on the policy. Feedback and comment from individuals and organisations on the operation of the Tenancy Policy will be taken into account during the policy review.

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