

REPORT TO THE EXECUTIVE MEETING

Meeting: Executive
Date: 29th January 2013
Subject: Tenancy Strategy for Harborough District
Report of: Jim Wheeler
Portfolio Holder:
Status: Decision

1 Purpose of the Report

- 1.1 To seek approval by the Executive of a Tenancy Strategy for Harborough District, previously published on the Council's website as a draft for consultation.

2 Recommendations:

- 2.1 **That the Executive approve the draft Tenancy Strategy for Harborough District attached as Appendix A.**

3 Summary of Reasons for the Recommendations

- 3.1 The Localism Act 2011 places a duty on all local authorities to publish a Tenancy Strategy by 15th January 2013. Whilst the final document will not be published until after this date all the Registered Providers have been involved with the development of the strategy and the draft has been available on the Councils website since November 2012.
- 3.2 The Tenancy Strategy will provide guidance for Registered Providers who own social housing in Harborough District, about the approach that the Council wishes to see them take in framing their own tenancy policies. It includes local guidance on the use of the 'affordable rent' tenure of affordable housing.
- 3.3 The Tenancy Strategy will sit alongside and support the Homelessness Strategy, Housing Strategy and Allocations Policy for the Harborough District, which are currently under review.
- 3.4 The Draft Tenancy Strategy has been considered by the Community Leadership Scrutiny Panel and includes changes recommended by the Panel.

3.5 Arrangements for monitoring implementation of the Tenancy Strategy are set out below in paragraph 7.3, as recommended by the Community Leadership Scrutiny Panel

4 Impact on Communities

4.1 The draft Tenancy Strategy enables Registered Providers to achieve flexibility in allocation of tenancies to meet the diverse needs of home seekers. However, it also ensures longer term security of tenure particularly for older people, families and disabled persons to maintain sustainable communities in Harborough District.

5 Key Facts

5.1 The Localism Act 2011 places a duty on all local authorities to publish a Tenancy Strategy within one year of the commencement date for Section 150 (15th January 2012) which Housing Associations (Registered Providers of Social Housing) must take into account in setting their own tenancy policies.

5.2 The Tenancy Strategy for Harborough District has been published in draft ahead of the statutory obligation and. Registered providers have already been involved in the development of the Strategy.

5.3 Registered Providers can now offer tenancies at a social rent or affordable tenancies (with rents up to 80% of market rents) as fixed term tenancies for a specified period instead of offering a "Tenancy for Life." The minimum period for this type of fixed term tenancy is two years. They must publish clear and accessible tenancy policies that outline their approach to tenancy management, taking into account the guidance included in the local authority's Tenancy Strategy and the requirements of the Directions on Regulatory Standards 2012.

5.4 The draft Tenancy Strategy attached as Appendix (A) will provide guidance for Registered Providers who own social housing in Harborough District, about the approach that the Council wishes to see them take in framing their own tenancy policies, including local guidance on the use of new flexible tenancies, summarised below:

- Registered Providers intending to convert some of their relets to affordable rent should have regard to the impact of tenancy conversion on the availability of social rented housing in Harborough District, particularly for housing types where unmet need is greatest
- Providers should also consider the ability of tenants to pay for affordable tenancies to minimise the risk of homelessness because tenants cannot afford to make up the gap between benefits payments and the rent.

- The Council supports the use of probationary tenancies (also called starter or introductory tenancies) to manage the risk of future breaches of the tenancy
- Registered Providers should ensure that their tenancy policy identifies and justifies the circumstances where they intend to use flexible fixed term tenancies
- Where fixed term tenancies are issued, the Council recommends that the minimum term for a fixed term tenancy should be five years.
- The following categories of tenancy should have a lifetime tenancy or a fixed term longer than five years including older people (60+) in designated specialist supported housing or extra care – lifetime tenancy, and tenants with long term disability (minimum of ten years)
- In exceptional circumstances a tenancy for a minimum term of no less than two years may be appropriate as set out and justified in the provider's tenancy policy.
- Either social rent or affordable rent can be charged on these tenancies.
- The security and rights of existing social rented tenants should be protected if they transfer or exchange to another tenancy
- The landlord should provide clear and concise advice and information to tenants at all stages of their tenancy (including pre-tenancy) and set out clearly their policies about renewal or non renewal of the tenancy before a new tenant signs their tenancy agreement.
- Fixed term tenancies should be renewed automatically except in specific circumstances set out on page 16 of the Tenancy Strategy.
- Providers must take full account of the individual circumstances of household members and before deciding not to renew a tenancy. Providers also have a duty to co-operate with the Council in preventing homelessness.
- Tenants should be given at least six months notice of the landlords intention not to renew the tenancy.
- Adequate reasons for the decision to end the tenancy should be given to the tenant along with information on the right to appeal the decision and guidance on how to do this.
- Where a Fixed Term Tenancy is coming to an end and a notice has been served, providers should ensure that tenants receive effective housing options advice and assistance to enable them to find suitable alternative accommodation.

- Registered providers should include within their Tenancy Policy the way in which a tenant or a prospective tenant may appeal against or complain about the length of a fixed term/flexible tenancy offered or the type of tenancy offered, and against a decision not to grant another tenancy on the expiry of the fixed term.

5.5 The Tenancy Strategy for Harborough District will be reviewed every three years or more frequently if there are significant changes in government policy or in local housing markets, or regular monitoring shows evidence of adverse impacts on vulnerable home seekers and tenants.

6 Legal Issues

6.1 The provisions of the Localism Act about Tenancy Strategies and flexible tenancies are set out in Part 7 of the Act.

(www.legislation.gov.uk/ukpga/2011/20/contents)

6.2 Section 150 sets out what registered providers of social housing must have regard in their tenancy policies, including:

- The kinds of tenancies they grant,
- The circumstances in which they will grant a tenancy of a particular kind,
- Where they grant tenancies for a term certain, the lengths of the terms, and
- The circumstances in which they will grant a further tenancy on the coming to an end of an existing tenancy.

6.2 Registered Providers must meet the standards for types of tenure and tenancy policies set out in section 2 of the Directions on Regulatory Standards 2012. www.homesandcommunities.co.uk

7 Resource Issues

7.1 Some Registered Providers are converting vacant social rented homes to other tenures to increase resources available to support development of new affordable homes.

7.2 The draft Tenancy Strategy recognises that that new homes let at “affordable rent” will be the primary means of providing future affordable housing development, particularly for schemes which rely upon funding from the Homes and Communities Agency. However, social rent is still needed for tenants on low incomes. The draft Tenancy Strategy also says that the Council will continue to monitor housing need and promote provision of lower cost social rented housing where required and feasible via affordable housing contributions in S106 Agreements. Existing budgets enable the

Council to make forecasts of housing need and this is supplemented by evidence from choice-based letting.

- 7.3 Monitoring can be managed with existing resources such as the Abris software used to generate management/performance reports for choice based letting. The Tenancy Strategy could be monitored on an annual basis by the Community Leadership Scrutiny Panel in conjunction with the annual report of Seven Locks Housing and other registered housing providers. In addition Portfolio Holder half-yearly and end-of-year reports could be augmented to provide updates on the progress of the strategy.

8 Equality Impact Assessment Implications/Outcomes

- 8.1 The Draft Equality Impact Assessment is included as an appendix to the draft Tenancy Strategy.

9 Impact on the Organisation

- 9.1 The Tenancy Strategy for Harborough District will be reviewed every three years or more frequently if there are significant changes in government policy or in local housing markets, or regular monitoring shows evidence of adverse impacts on vulnerable home seekers and tenants.
- 9.2 The Council will monitor how Registered Providers implement their Tenancy Policies as set out above in paragraph 7.3
- 9.3 Major providers in Harborough District, are not currently planning to introduce flexible/fixed term tenancies. Significant impacts from use of affordable tenancies or flexible fixed term tenancies may not be apparent for several years.

10 Community Safety Implications

- 10.1 Registered Providers have the option of using probationary tenancies for a fixed period up to eighteen months to manage the potential risk of community safety issues arising from new tenancies. Registered Providers with housing stock in Harborough District are making use of probationary tenancies or considering their introduction.

11. Carbon Management Implications

- 11.1 None arising from this report

12. Risk Management Implications

- 12.1 The county wide consultation referred to below in paragraphs 13.1 and 13.2 identified a risk that Registered Providers who operate across several local authority areas may be unable to respond to the varying requirements of tenancy strategies produced by different local authorities. However, this risk has been mitigated through consultation and involvement of Registered Social Providers with housing stock in Harborough District.
- 12.2 There is a risk that widespread conversion of existing tenancies may have a significant impact on the availability of social rented housing in the District. However, the draft Tenancy Strategy says that Registered Providers should have regard to the impact of tenancy conversion on the availability of social rented housing in Harborough District, particularly for housing types where unmet need is greatest. There is also provision in the draft Tenancy Strategy for monitoring tenancy conversions to Affordable Rent, including sizes, types and location of homes.

13 Consultation

13.1 Consultation undertaken as part of development of the draft Tenancy Strategy for Harborough District has included:

- County wide scenario planning workshop in November 2011 organised by North West Leicestershire District Council. The workshop was attended by representatives of all the District Councils in Leicestershire, as well as a wide range of key stakeholders including statutory and non-statutory partners.
- A specific meeting has also been held with Seven Locks to discuss tenancies.
- A Harborough Housing Forum event took place on the 22nd November 2012. The Forum included workshops for discussion of issues related to the review of the Housing and Homelessness Strategies for Harborough District and the draft Tenancy Strategy.
- Advice and comment on the draft Tenancy Strategy from the meeting of the Community Leadership Scrutiny Panel held on the 6th December 2012.
- A revised draft of the Tenancy Strategy, reflecting feedback from the Harborough Housing Forum and the recommendations of the Scrutiny Panel has been published alongside the draft equality impact assessment on the Harborough District Council website for wider public consultation. It has also been circulated at the same time to Registered Providers managing affordable social housing in Harborough District and the Harborough Disability Access Group.

14 Options Considered

14.1 The Council has a statutory duty to publish a Tenancy Strategy as set above in paragraph 5.1.

15 Background Papers

15.1 Part 7 of the Localism Act 2011 and section 2 of the Directions on Regulatory Standards 2012.

Previous report(s): Report to the Scrutiny Panel Community Leadership 6th December 2012

Information Issued Under Sensitive Issue Procedure: N

Ward Members Notified: N

Appendices: *list any appendices here including title and filename in brackets (e.g. Performance Data 2010 (perfddata.doc)).*

A. Draft Tenancy Strategy for Harborough District (including EIA)