

EXETER CITY COUNCIL

**SCRUTINY COMMITTEE
6 NOVEMBER 2012**

**EXECUTIVE
20 NOVEMBER 2012**

TENANCY STRATEGY AND TENANCY POLICY

1 PURPOSE OF REPORT

- 1.1 To adopt a Tenancy Strategy and Tenancy Policy as required by the Localism Act 2011.

2 BACKGROUND

- 2.1 The Localism Act 2011 requires all local authorities to adopt a Tenancy Strategy by January 2013 to guide Registered Providers in developing tenancy policies for their own stock, especially around the use of fixed-term or flexible tenancies. Registered Providers are expected to have regard to the local authority's Tenancy Strategy when determining their own policies.
- 2.2 In addition, all Registered Providers, including Exeter City Council as a stock holding landlord, are expected by the Regulator to have a Tenancy Policy which details their approach to tenancy management. The regulation of Registered Providers is now undertaken by the Homes and Communities Agency. There is no statutory deadline for the introduction of a tenancy policy but it does make sense to introduce one alongside the tenancy strategy.
- 2.3 In summary, the Tenancy Strategy sets out our expectations for how all social tenancies in Exeter should be managed and the Tenancy Policy sets out how we will specifically use the new range of options available to us to manage our stock.
- 2.4 Our Tenancy Strategy is expected to:
- Describe the high level objectives that registered providers should have regard to in their tenancy policies
 - Have been developed in conjunction with the authority's allocations policy and homelessness strategy
 - Have been developed in consultation with registered providers
 - Be reviewed every five years
- 2.5 Our Tenancy Policy should include our approach to:
- The kinds of tenancies we will grant
 - The length of those tenancies
 - When tenancies will be renewed (and when not)
 - How tenants can appeal against negative decisions
 - How we will take into account the needs of vulnerable households
 - What housing advice we will give to people whose tenancies are not being renewed
 - Our policy on discretionary succession rights
 - How we will tackle tenancy fraud

- 2.6 The draft Tenancy Strategy and Tenancy Policy are attached at Appendix A and Appendix B respectively.

3 POLICY CONTEXT

- 3.1 The Government has identified a number of issues associated with the social housing sector, including:

- the sector is not being used as effectively as it might to meet housing need
- some low income households are living for too long a time in expensive temporary accommodation
- some households living in social housing no longer need it
- the housing benefit bill is increasing
- there are high levels of unemployment in the sector
- there are inflexibilities in meeting need and demand
- the sector has a poor reputation among the wider public
- more homes are needed but there is a lack of public investment to produce them

- 3.2 As the strategic housing authority we are required to take on a more significant role in setting the local agenda around deciding which families should live in the social sector and for how long. Social housing is expected to be “a springboard into work and self-sufficiency for households in need, rather than encouraging welfare dependency.” (*Localism Bill: A Fairer Future for Social Housing, CLG 2011*)

- 3.3 With the other local authorities in Devon, we have agreed to a *Framework for Local Tenancy Strategies in Devon*. This document describes those areas of policy where broad principles are shared by some, or all, of the local authorities in Devon. Our own Tenancy Strategy is consistent with the Framework.

4 THE TENANCY STRATEGY

- 4.1 The Tenancy Strategy sets out broad principles and our expectations of Registered Providers but it cannot be prescriptive. Ideally, we would prefer an entirely harmonised array of rent levels, tenancy terms and conditions for tenancy renewal across the City which reflect local needs and conditions and which are easy to explain and understand. However, we recognise that Registered Providers are independent organisations often working across local government boundaries and we accept that they will have their own objectives and priorities. Nevertheless, we would expect them to follow the guidance in the Tenancy Strategy unless there was a very good reason for not doing so.

- 4.2 The principal objectives of the attached Tenancy Strategy for Exeter are to:

- Ensure that those most in need are housed
- Make the best use of our housing stock
- Offer tenancies which are compatible with the purpose of the housing and the needs of the household.
- Improve tenant mobility
- Encourage people who do not need social housing to leave or pay a higher rent
- Support Exeter’s communities and neighbourhoods
- Provide stability and security for vulnerable people
- Tackle worklessness
- Make managing rents and tenures as simple and straightforward as possible

4.3 The principal points of the Strategy are that:

- The Council supports the use of fixed term tenancies for most new tenants
- We expect five year fixed term tenancies to be the norm but we accept that there will be circumstances where a minimum of two years will be appropriate
- We consider 'lifetime' tenancies appropriate for people over 55 in older persons' accommodation and for people with disabilities in supported housing
- We support the charging of 'affordable rents' up to 80% of market rents so long as they do not exceed local housing allowance levels
- We set out the criteria to be taken into account when deciding to renew tenancies and under what terms. These criteria include:
 - The size of accommodation
 - The tenants' income
 - Adaptations made to the home
 - The previous behaviour of the tenants
- We support incentives for downsizing
- We encourage the provision of adaptations to properties for households who need them, but we also support the transfer of people from adapted properties who no longer need those adaptations
- We support one right of succession to a spouse or partner and the granting of a two year fixed term tenancy to other relatives of the deceased who have been living in the property for five years

5 THE TENANCY POLICY

5.1 The Tenancy Policy is in line with the Tenancy Strategy but sets out in more detail how we will implement the guiding principles of the Strategy in our day to day housing management operations.

5.2 The main features of the attached Policy are:

- Flexible tenancies will be given to most new tenants in general needs properties. There will be some exemptions: e.g. some tenants with secure tenancies who are transferring properties or carrying out mutual exchanges
- Secure tenancies will be given to people aged 55 or older in older persons' accommodation and to disabled people in supported accommodation
- Most flexible tenancies will be for five year periods but some may be for two years (e.g. for those who have committed anti-social behavior, or for those with clearly identified temporary requirements)
- We will normally renew the flexible tenancy unless there are reasons not to
- Flexible tenancies will not be renewed on properties that are significantly (i.e. two or more bedrooms in excess of requirements) larger than the household needs
- All tenants whose tenancies are not to be renewed will be given help and advice to access alternative forms of accommodation
- If necessary, we will take steps to end the tenancy of a household who is living in an adapted property when no-one in that household any longer requires the adaptations
- The level of affordable rents charged will be determined once we have reviewed our Allocations Policy in line with the opportunities allowed by Government legislation
- A change in our succession policy to allow succession to a spouse or partner, but only to allow other successions on a discretionary basis: and then only to allow a fixed term tenancy of two years to family members who had been living in the property for five years

6 CONSULTATION

- 6.1 The Tenancy Strategy has been informed by, and is consistent with, the *Framework for Local Tenancy Strategies in Devon* which was widely consulted on, both with partner local authorities and Registered Providers between March 2011 and March 2012.
- 6.2 Council tenants were consulted on a range of tenancy matters, including the Strategy, at the last Tenants' Conference in September 2011. The Council's Resident Auditor Team (a group of residents who undertake independent research) interviewed over 70 residents face-to-face and by telephone in April 2012 in order to gather their views. Exeter's Tenant and Leaseholder Committee (TALC) were also consulted. Our tenants have not yet been consulted on the tenancy policy but it will be considered by the Tenant and Leaseholder Committee before the Executive meeting in November and their response will be reported to Members.
- 6.3 A group of Members and Council Managers discussed both Tenancy Strategy and Tenancy Policy in September 2012 and all Registered Providers in Exeter have been given a chance to comment on the Strategy.

7 RESOURCE IMPLICATIONS

- 7.1 The granting of flexible tenancies will create more work for the housing team in terms reviewing and renewing flexible tenancies when they are drawing to an end. However, at present, with only around 300 new lets a year, the extra work can be phased in gradually and delivered within existing resources.

8 RECOMMENDED that the Committee note the report and requests Executive to:-

- 1) approve the new Tenancy Strategy; and
- 2) approve the new Tenancy Policy.

SARAH WARD ASSISTANT DIRECTOR HOUSING AND CONTRACTS

S:PA/LP/Cttee/1112SCC1
18.10.12

Local Government (Access to Information) Act 1972 (as amended) Background papers used in compiling this report:-

The practical implications of tenure reform. Chartered Institute of Housing 2011

Writing an effective tenancy strategy. Local Government Association 2012

Local decisions on tenure reform. Shelter 2012

Managing the impact of housing reforms in your area: Working towards the tenancy strategy. CIH 2011

The regulatory framework for social housing in England from April 2012. HCA 2012

How to develop your tenancy policy. CIH 2011