



CABINET

20 NOVEMBER 2018

TENANCY STRATEGY 2018

Portfolio Holder:	Councillor Howard Doe, Deputy Leader and Portfolio Holder for Housing and Community Services
Report from:	Richard Hicks, Director Regeneration, Culture, Environment and Transformation and Deputy Chief Executive
Author:	Mark Breathwick, Head of Strategic Housing Helen Miller, Senior Housing Strategy and Partnerships Officer

Summary

This report seeks approval for the new Tenancy Strategy 2018. The previous Tenancy Strategy was drafted in 2012 and there have been changes in legislation, which require it to be updated.

This report was considered by the Business Support Overview and Scrutiny Committee on 25 October 2018 and its comments are reported in section 5 of the report.

1. Budget and Policy Framework

1.1 The approval of the Tenancy Strategy is a matter for Cabinet.

2. Background

2.1 Medway Council's existing Tenancy Strategy was approved in December 2012. The new version is significantly shorter, is clearer in its preference for fixed term tenancies, has been simplified and has no action plan. This draft Strategy takes into account the Housing and Planning Act 2016 and changes to previous national policy direction.

2.2 As required by the Localism Act 2011, the Strategy provides guidance that registered providers should have regard to when formulating policies relating to:

- (a) the kinds of tenancies they grant;
- (b) the circumstances in which they will grant a tenancy of a particular kind;
- (c) where they grant tenancies for a term certain, the lengths of the terms; and
- (d) the circumstances in which they will grant a further tenancy on the coming to an end of an existing tenancy.

- 2.3 The Localism Act 2011 amended government policy to allow social landlords to provide introductory and fixed term tenancies. This was to address the government's concerns that some households with social housing tenancies may no longer have a need for social housing.
- 2.4 The government's preferred option is for households that are not moving into specially designated housing, for example sheltered or extra care housing, to be offered a fixed term tenancy. Households moving into specially designated housing would be offered lifetime tenancies. Introductory 12 month tenancies were also introduced that could be offered to new tenants before a fixed term tenancy was offered.
- 2.5 At least six months before the end of the fixed term social tenancy the landlord would reassess the households housing needs including assessing the size of the households and their income. They would then inform the tenant whether their tenancy would be renewed or they would be asked to leave the property. The government's intention is that the use of fixed term tenancies would ensure households that no longer have a need for social housing would move out and seek a home on the open housing rental or purchase market, leading to a small increase of the number of social lets becoming available each year.
- 2.6 Following the Tenancy Strategy 2012, Medway Council began offering introductory tenancies to new tenants, followed by a five year fixed term tenancies. Currently no other social landlord in Medway offers fixed term tenancies. Registered Providers generally have housing stock in more than one councils' area.
- 2.7 Advice was sought from colleagues with responsibility for the Allocations Policy and Homechoice and our Medway Council Tenancy Policy when drafting this Strategy.
- 2.8 The Ministry of Housing, Communities and Local Governments Green Paper called "A new deal for social housing", released in August 2018, does not provide guidance that should prevent the progress of the Tenancy Strategy 2018.

3. Options

- 3.1 The options available are;
- A) To agree to adopt the Tenancy Strategy
 - B) To propose amendments to the draft Tenancy Strategy
 - C) To determine the current Tenancy Strategy 2012 should remain in place.
- 3.2 Option A is the preferred option because the draft strategy reflects current legislation and national policy.

4. Advice and analysis

- 4.1 A Diversity Impact Assessment has been completed (Appendix 3). This did not identify impacts for this Strategy relating to people with protected characteristics, however it did identify a potential benefit for low income households. The use of fixed term tenancies may result in a slight increase in the number of social rented homes becoming available for allocation each year so increasing the likelihood of a low income household being offered a social tenancy.
- 4.2 This Strategy is shorter and easier to read than the previous version. It is clearer in the way it encourages social housing providers to consider offering fixed term tenancies.
- 4.3 This report was considered by the Business Support Overview and Scrutiny Committee on 25 October 2018 and its comments are reported in section 5 of the report, below.

5. Business Support Overview and Scrutiny Committee – 25 October 2018

- 5.1 Members considered a report seeking their comments on the new draft Tenancy Strategy 2018. The previous Tenancy Strategy had been agreed in 2012 and there had been changes in legislation which required it to be updated.
- 5.2 In response to a request for clarification on how introductory tenancies worked, the Head of Strategic Housing advised that all social housing tenants were offered an introductory tenancy, typically for one year, but if there were any problems with the tenancy this could be extended.
- 5.3 A Member made the point that there should be more flexibility for over 55s and also for people downsizing and moving to a different part of Medway. The Head of Strategic Housing advised that the issue about over 55s was more a matter for the Allocations Policy to address. A Member asked if the Tenancy Strategy could make it clearer that anyone who moved to a different property and their circumstances did not change should be able to remain in the new property. Also where someone wanted to downsize and a property was not available the Strategy should be clear that they did not need to move to a different tenure or area. The Head of Strategic Housing advised that in

practice that was the position but he would see if the Strategy could be made clearer on these points.

5.4 A Member referred to the issue of families with fixed term tenancies and young children and expressed the hope that social landlords would offer a tenancy lasting more than 5 years to avoid disruption to a young person's schooling. The Head of Strategic Housing advised the Strategy was designed to provide flexibility and encourage other providers to use their discretion to offer longer tenancies. A Member proposed that the draft Strategy be amended to state that social landlords were encouraged to extend fixed term tenancies beyond five years where the households include young children.

5.5 The Committee agreed to:

a) note the draft Tenancy Strategy 2018 and;

b) recommend to Cabinet that the third sentence of paragraph 2.3 of the Strategy should be amended to read:

“Fixed term tenancies would generally be for five years but social landlords are encouraged to extend this where the households include young children.”

6. Director Regeneration, Culture, Environment and Transformation and Deputy Chief Executive's Comments

6.1 The recommendation from the Business Support Overview and Scrutiny Committee meeting on 25 October regarding fixed term tenancies is supported with the change to paragraph 2.3 of the Strategy being made accordingly.

7. Risk management

7.1 Please see details of risks below:

Risk	Description	Action to avoid or mitigate risk	Risk rating
That the Strategy does not remain relevant	Some provisions within the Housing and Planning Act 2016 have not been implemented and no date has been set for this.	The Strategy can be re-written as needed	D3

8. Consultation

8.1 As required by the Localism Act 2011 the draft Tenancy Strategy was sent to every provider of social housing with stock in Medway. It was also posted on our website. The consultation ran from 1st to 31st August 2018. Just one

response was received from a housing association. This showed they had understood the draft and posed no objections or questions.

9. Financial implications

- 9.1 The draft Tenancy Strategy does not entail any budgetary commitments above those already planned for.

10. Legal implications

- 10.1 The Localism Act 2011 requires every local housing authority to prepare and publish a Tenancy Strategy.
- 10.2 The Strategy must set out the matters to which the registered providers of social housing for its district are to have regard in formulating policies relating to their tenancies.
- 10.3 There are no other legal implications.

11. Recommendations

- 11.1 The Cabinet is asked consider the comments and recommendations of the Business Support Overview and Scrutiny Committee, as set out at section 5 of the report.
- 11.2 The Cabinet is asked to approve the Tenancy Strategy 2018.

12. Suggested reasons for the decisions

- 12.1 The new Tenancy Strategy is aligned with current legislation and government policy and is more suitable for use than the current Strategy.

Lead officer contact

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Appendices

Appendix 1 - Current Tenancy Strategy
Appendix 2 - Revised Tenancy Strategy
Appendix 3 - Diversity Impact Assessment

Background papers

None