

EAST HERTS COUNCIL

COMMUNITY SCRUTINY COMMITTEE – 20 NOVEMBER 2012

REPORT BY REPORT BY EXECUTIVE MEMBER FOR HEALTH,  
HOUSING AND COMMUNITY SUPPORT

STRATEGIC TENANCY STRATEGY 2012 - 2015

WARD(S) AFFECTED: ALL

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**Purpose/Summary of Report**

- This report presents to members the Council's the first draft Strategic Tenancy Strategy 2012-2015 for consideration and comment and seeks approval to release it for public consultation.
- Having a Tenancy Strategy is a legal requirement under the Localism Act. The Tenancy Strategy has been developed in the context of the new Affordable Rents regime and the new flexibilities available to Registered Providers to offer fixed term rather than lifetime tenancies.

<b><u>RECOMMENDATIONS FOR COMMUNITY SCRUTINY: That:</u></b>	
<b>(A)</b>	<b>Members review and comment on the draft Tenancy Strategy ;</b>
<b>(B)</b>	<b>The document be circulated for consultation with stakeholders; and</b>
<b>(C)</b>	<b>Comments from Community Scrutiny Committee and stakeholders be incorporated into the draft Tenancy Strategy for further consideration and approval by the Executive.</b>

1.0 Background

1.1 The Localism Act 2011 sets out a number of key proposals which are relevant to housing, including changes to allocations, tenure reform and changes to homelessness legislation. The Act also places a duty on all Local Authorities to produce a Strategic

Tenancy Strategy setting out what individual Registered Providers (RPs) should take into account within their individual tenancy policies. The East Herts Tenancy Strategy also provides local guidance to RPs on the use of 'affordable rent' for affordable housing.

- 1.2 In the past Registered Providers (RPs) of housing, including housing associations and stock holding Local Authorities, have been required to let their rented homes with long-term security of tenure, at a rent level calculated according to a nationally prescribed formula often referred to as social or target rent.
- 1.3 A new form of rent level has been introduced known as Affordable Rent. Affordable rent levels are set at up to 80% of local market rents. The additional revenue raised from these increased rents is expected to be invested in new affordable housing. To access affordable housing grant from the Homes and Communities Agency (HCA) Registered Providers are required to let the new grant funded homes at Affordable Rents. A proportion of existing homes are also expected to be converted to Affordable Rent when they are re-let, subject to a signed agreement with the HCA.
- 1.4 New flexibilities have also been introduced to enable RPs to offer fixed term tenancies rather than being required to give tenants lifetime security of tenure i.e. assured tenancies.

## 2.0 Report

- 2.1 The Strategic Tenancy Strategy has to set out the Council's expectations in terms of what RPs operating in their area must have regard to when developing their own Tenancy Policies relating to:
  - The kind of tenancies they grant
  - The circumstances in which they will grant a tenancy of a particular kind
  - Where they grant tenancies for a particular fixed term, the lengths of the term
  - The circumstances in which they will grant a further tenancy when a fixed term comes to an end
- 2.2 The Tenancy Strategy cannot be too prescriptive as RPs only have to 'have regard to it, but there is a duty on Local Authorities to publish a Tenancy Strategy by January 2013. In addition many RPs operate in a number of Local Authority areas and will

therefore have a number of different published Tenancy Strategies that they will have to have regards to.

- 2.3 The main themes of the East Herts draft Tenancy Strategy are:
- 2.4 That Affordable Rents should be as affordable as possible to local people, taking into account developer viability, and that RPs should take affordability into account when deciding the rents levels (inclusive of service charges) to apply to particular properties and locations.
- 2.5 The Council would prefer that additional funds raised from introduction of Affordable Rents in East Herts are re-invested in new homes within the district.
- 2.6 The council would prefer the letting of at least 5 year tenancies, to promote settled life styles and lifetime tenancies to existing housing association tenants who transfer to alternative housing association accommodation or sheltered accommodation.
- 2.7 Where fixed term tenancies are used the statutory minimum of two years should only be used in exceptional circumstances.
- 2.8 When a fixed term tenancy comes to an end the council will expect that the tenancy will be renewed except in circumstances that have been clearly explained and published for tenants at the start of their tenancy.
- 2.9 Where a tenancy is not to be renewed, RPs should notify the Housing Options Service and provide advice and support to the tenant in finding alternative accommodation, which could be in the private sector for those tenants considered not to be vulnerable.
- 2.10 If existing social rent homes are converted to an Affordable Rent a mix of size, type, rent levels and tenure should be maintained across the District.
- 2.11 The council supports positive action taken by RPs to help tenants to move to smaller accommodation where they wish to or due to future changes in Local Housing Allowance eligibility.

- 2.12 The Council will expect to be consulted on when an RP is developing their individual Tenancy Policies if they have homes or are proposing to develop in East Herts.
- 2.13 A copy of the draft Tenancy Strategy is at **Essential Reference Paper “B”**.
- 3.0 Implications/Consultations
- 3.1 If approved for consultation the Strategy will be sent to key housing stakeholder organisations with the emphasis on Registered Providers with homes in the district. In addition the Strategy will be placed on the Council’s website to enable resident consultation although though there is no duty to do so.
- 3.2 The consultation period is expected to last three weeks beginning on 27 November 2012.
- 3.3 After the consultation period all comments and views will be incorporated to into the Tenancy Strategy and brought to the Executive Committee for consideration on 8th January 2013.

Background Papers  
Localism Act 2011

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