

## COMMUNITY AND SOCIAL AFFAIRS COMMITTEE

22 JANUARY 2013

### REPORT OF HEAD OF COMMUNITIES & NEIGHBOURHOODS

#### TENANCY POLICY

##### 1.0 PURPOSE OF REPORT

1.1 This report seeks member's approval of the Tenancy Policy (2013-17).

##### 2.0 RECOMMENDATIONS

2.1 **Members note, comment and approve the Tenancy Policy (2013-2017), which seeks to introduce five year fixed term tenancies on all new general needs housing applications;**

2.2 **Members agree to accept, in principle an element of Affordable Rented provision.**

2.3 **Members agree to accept, in principle, those tenant groups that will not be affected by the introduction of fixed term tenancies.**

2.4 **Members note the proposed implementation date for the tenancy policy, of 1<sup>st</sup> April 2013.**

##### 3.0 KEY ISSUES

3.1 Tenancy policies and tenancy strategies were introduced as part of a wider package of social housing reforms set out by the Government in *Local Decisions: a fairer future for social housing*. The reforms included the introduction of fixed term tenancies and affordable rent, changes to allocations and homelessness policy as well as the promotion of increased mobility for social tenants. These proposals have been implemented primarily through the Localism Act and changes to the regulatory standards that all social landlords are expected to meet.

3.2 The Localism Act introduced fixed term tenancies with the aim to offer people housing whilst they need it, to make better use of the limited affordable housing stock over the long term to better meet local housing needs. Historically social housing tenants have been offered an assured or secure tenancy, which granted them a home for life. A household's need for housing are only assessed when they apply for a home even though over time their circumstances and need for housing could change. Registered providers are now able to offer fixed term tenancies on a minimum fixed term of five years, however in exceptional circumstances these flexible tenancies can be for as little as two years. The new fixed term tenancies are in addition to those currently available and social landlords do not have to use them.

3.3 Melton's Tenancy Strategy outlines our approach to the above, and was approved by CSA committee on 20<sup>th</sup> June 2012. The Tenancy Policy was previously presented to committee on 19<sup>th</sup> September 2012, with an alternative recommendation regarding the use of fixed term tenancies in council stock.

The tenancy policy proposed follows on from this and provides details on fixed term tenancies and affordable rent and their intended use. The proposed tenancy policy takes account of the Council's tenancy strategy. The tenancy policy (Appendix A) has been developed make best use of the existing social housing stock and new provision, whilst mitigating against identified potential negative impacts, such as homelessness levels in the Borough.

- 3.4 The tenancy policy provides the opportunity to provide local guidance to registered providers on the use of affordable rent tenure of housing. Affordable rented housing is let at a charge of up to 80% private market rent, typically higher than the level of social rents currently charged. Affordable rent was introduced because higher rents will increase rental incomes and allowing for more investment by housing associations and other registered providers and enabling them to deliver additional affordable housing in a time of constrained grant budgets. Although any additional investment raised cannot be ring-fenced to provide more affordable housing locally.
- 3.5 There are 12 different registered providers of rented affordable homes in the Borough; the tenancy policy will offer further guidance to the development of each of these providers tenancy policy.
- 3.6 There is an acute need for more affordable housing in the Melton Borough, there are currently over 750 households seeking housing on the Council's Housing Register, almost half of which are families with children. To help meet the housing needs of as many households as possible, the Council needs to increase the supply of affordable housing as well as ensuring that it makes the best possible use of the existing affordable housing stock and both the approved tenancy strategy and proposed tenancy policy have an important role in achieving these aims.

#### **4.0 POLICY AND CORPORATE IMPLICATIONS**

- 4.1 The tenancy policy has direct links to priority 9 of the Council's corporate plan; 'Help provide a stock of housing accommodation that meets the needs of the community'.
- 4.2 As a social housing landlord, Melton Borough Council has developed the proposed tenancy policy with due regard to the Council's Tenancy Strategy 2012-2017 and Housing Strategy 2011-2014
- 4.3 Under the Localism Act the tenancy strategy, allocation scheme and homelessness strategy are required to have regard to each other. The tenancy policy has been developed having regard to the existing allocations scheme and homelessness strategy. Any future reviews or amendments of these three strategies will need to have regard to one another. It is proposed that the implementation date for the tenancy policy is 1<sup>st</sup> April 2013, to give time to draft new tenancy agreements and other associated documents.

#### **5.0 FINANCIAL AND OTHER RESOURCE IMPLICATIONS**

- 5.1 The impacts of the tenancy policy will need to be monitored and will be subject to annual review.
- 5.2 As a social housing landlord, Melton Borough Council's tenancy policy must have due regard to the Council's tenancy strategy. The Council will also need to review and comment upon the tenancy policies developed by other registered providers.

## 6.0 LEGAL IMPLICATIONS/POWERS

6.1 In accordance with the Localism Act (section 150) Melton Borough Council has produced a tenancy strategy, that was approved by committee on 20<sup>th</sup> June 2012.

6.2 The tenancy standard of the Regulatory Framework for Social Housing in England (2012) requires the Council to produce a tenancy policy to provide guidance on the types of tenancies it offers. It is proposed that a tenancy policy for the Council's housing stock be developed to set out the Council's position on fixed term tenancies, having regard to the guidance contained within tenancy strategy, this is as members of the committee see before them.

## 7.0 COMMUNITY SAFETY

7.1 No direct implications have been identified

## 8.0 EQUALITIES

8.1 An equalities impact assessment (Appendix B) has been undertaken to support the development of the tenancy policy and tenancy strategy from which it directly relates, as part of this assessment an equalities analysis of the housing register was undertaken. The equalities impact assessment identified that there may be impacts in relation to age and disability and has tried to mitigate those impacts wherever possible.

8.2 Equalities issues were also specifically highlighted and consulted upon as part of the consultation of the policy

## 9.0 RISKS

Probability					Risk No.	Description
Very High A						
High B					1	Failure to adopt Tenancy Policy in accordance with Regulatory Framework for Social Housing in England (2012)
Significant C						
Low D					2	Policy fails to adequately address negative impacts of fixed term tenancies and affordable rent resulting in increased homelessness
Very Low E		1				
Almost Impossible F			2			
	IV Negligible	III Marginal	II Critical	I Catastrophic		

Impact →

10.0 **CLIMATE CHANGE**

10.1 No implications have been identified.

11.0 **CONSULTATION**

11.1 An article on the tenancy policy was placed in the Christmas circulation of the tenants newsletter and the tenants' forum was consulted on the proposed tenancy policy at their meeting of 3 December 2012 and approved.

12.0 **WARDS AFFECTED**

12.1 All wards are affected

Contact Officers: H Rai - Head of Communities & Neighbourhoods  
Samantha Fern - Housing Policy Officer

Date: 3<sup>rd</sup> January 2013

Appendices: Appendix A – Tenancy Policy  
Appendix B – Equalities Impact Assessment

Background Papers: [The regulatory framework for social housing in England from April 2012](#)  
[Local Decisions: a fairer future for social housing.](#)

Melton Borough Council – Tenancy Strategy

Reference: X: C'tees, Council & Sub-C'tees/CSA/2012-13/22-1-13/Tenancy Policy