

## Bath & North East Somerset Council

MEETING:	<b>Cabinet</b>	
MEETING DATE:	<b>14<sup>th</sup> November 2012</b>	EXECUTIVE FORWARD PLAN REFERENCE:
		<b>E 2478</b>
TITLE:	<b>Bath &amp; North East Somerset Tenancy Strategy</b>	
WARD:	All	
<b>AN OPEN PUBLIC ITEM</b>		
<b>List of attachments to this report:</b>		
<b>Appendix 1: Proposed Tenancy Strategy</b>		

### **1 THE ISSUE**

- 1.1 The Localism Act 2011 allows registered providers of social housing to apply new freedoms in the length of term and the kinds of tenancy they provide, including tenancies where the rent is up to 80% of local market rents. These tenancies are known as affordable rent tenancies.
- 1.2 These freedoms enable the local authority, registered providers and other stakeholders to better use social and affordable housing to meet local housing needs. The proposed Tenancy Strategy sets out strategic affordable housing needs and provides guidance for registered providers in how they should implement the freedoms and contribute to the sustainability of our communities.

### **2 RECOMMENDATION**

The Cabinet agrees that:

- 2.1 The proposed Tenancy Strategy, attached in appendix 1, is adopted.

### **3 FINANCIAL IMPLICATIONS**

3.1 There are no direct financial implications arising from this report. However, depending upon the content of the Strategy there is the potential that it could impact upon the delivery of affordable housing. This would have financial and other implications for the Council. It should be noted that the proposed Strategy aims to strike a pragmatic approach ensuring that both current and future social tenants are treated fairly and as written would not create a barrier to the delivery of affordable housing.

### **4 CORPORATE OBJECTIVES**

4.1 The Tenancy Strategy will positively contribute to the following corporate priorities:

- *Promoting independence and positive lives for everyone* – by improving the supply of affordable housing to vulnerable residents and lower income households who are least able to afford other housing options.
- *Creating neighbourhoods where people are proud to live* – by recognising the positive contribution that tenants can have in their communities
- *Building a stronger economy* - by stimulating the development of new build affordable housing and making best use of existing stock.

### **5 THE REPORT**

5.1 Social housing provides around 12,000 households in Bath and North East Somerset with a decent home at a rent lower than they would be able to find in the private rented sector. It can make an immense difference to their health, happiness and quality of life.

5.2 There is a significant unmet need for affordable housing in this area, with a waiting list of over 12,000 households. A summary of the housing needs evidence is included in the strategy. Until the Localism Act affordable housing has always been granted as lifetime tenancies at rents around 50% - 60% of market rents. This has meant that tenants can remain in tenancies, at subsidised rents, long after their need for this type of support has expired.

5.3 The new flexibilities allowed by the Act aim to increase the supply of affordable housing for those who need it most by allowing providers to review the tenant's housing need at the end of a fixed term and by charging higher rents on some properties to create more revenue for new build affordable housing, known as affordable rent tenancies (ART). The Tenancy Strategy provides strategic guidance for registered providers about the way this local housing authority will expect the new flexibilities to be applied.

5.4 The new flexibilities allowed by the Act also include strengthening the ways in which we make best use of the increasingly scarce social housing resource by preventing tenancy fraud, disposing of unsuitable housing stock and broadening housing options for homeless people and people able to move-on from social housing into home ownership and private sector housing.

5.5 The key areas of change that the Tenancy Strategy supports and encourages are:

- Supporting the use of ART to augment the supply and stock of social rented housing, within specified criteria, to the extent that it will generate and support an agreed level of future development in the district and attract investment in support of housing delivery.
- Ensuring that ART will be advertised through Homesearch on the principles of choice based lettings and that there is an affordability assessment prior to tenancy sign up.
- Offering fixed term tenancies of between 5-10 years on all new lets apart from those made to people with an evident need for a lifetime tenancy such as the elderly or those with limiting, long term illness or disability.
- Offering private sector tenancies to non-vulnerable homeless households to discharge a local authority housing duty.
- Encouraging social housing stock disposals that contribute to increasing the supply of new build.
- Expecting registered providers to have in place robust tenancy fraud strategies that prevent the misuse of social housing stock and ensure tenancies are occupied by the people that are entitled to them.

5.6 In summary these changes, which will affect only new social housing tenants, are driven by the views of stakeholders on service improvement and to respond to changes in legislation and other priorities. It is expected that by working with registered providers to apply the new flexibilities the Council can better meet its commitment to increasing the supply of affordable housing for local households who are least able to afford other housing options.

## **6 RISK MANAGEMENT**

6.1 The report author and Lead Cabinet member have fully reviewed the risk assessment related to the issue and recommendations, in compliance with the Council's decision making risk management guidance.

## **7 EQUALITIES**

7.1 The equalities impacts of the proposed changes have been considered during policy development, however, the core objective of this policy is to ensure that there is an adequate and suitable supply of affordable housing for households who are unable to compete on the open market. An equalities impact assessment has been completed on the proposal which did not find any adverse impacts on protected groups.

## **8 RATIONALE**

8.1 The Council is required to adopt and publish a Tenancy Strategy. The implementation of the Strategy will enable registered providers to work in partnership with the Council to improve the supply of affordable housing and better meet the housing needs of lower income and vulnerable households.

## **9 OTHER OPTIONS CONSIDERED**

9.1 None.

## **10 CONSULTATION**

10.1 *Ward Councillor; Parish Council; Town Council; Policy Development and Scrutiny Panel; Staff; Other B&NES Services; Service Users; Local Residents; Community Interest Groups; Stakeholders/Partners; Other Public Sector Bodies; Section 151 Finance Officer; Chief Executive; Monitoring Officer*

10.2 The consultation was carried out between June 2011 and October 2012. A Communications Project Plan for the Tenancy Strategy and also the Allocations Policy is available from Housing Services sets out the purpose, objectives and scope of communications and the key messages and stakeholders involved.

10.3 Consultation methods included a mix of meetings with internal and external stakeholders and an open public meeting, targeted questionnaires and briefings, on line consultations and a press release aimed at local residents and council staff.

10.4 The responses to the consultation can be grouped into 4 themes included in the new strategy:

a) Flexible Tenancies

Partially supported by all stakeholders. The emerging Tenancy Policies of Curo and Knightstone Housing Associations, that manage the greatest number of properties in this area, are aligned with the Tenancy Strategy.

b) Affordable Rent Tenancies (ART)

Fully supported by registered providers. Emerging registered provider's tenancy policies are aligned with the Tenancy Strategy and have regard to ensuring that rents are set at up to 80% of market rent and no more than the Local Housing Allowance. Supported housing is generally exempted from ART. 52% of housing applicants said they would apply for ART.

c) Direct offers into private sector housing

60% of stakeholders either agreed or partially agreed with the proposed strategic change. 20% opposed the change.

d) Asset management (stock disposal and combatting tenancy fraud)

Fully supported by all stakeholders.

## **11 ISSUES TO CONSIDER IN REACHING THE DECISION**

11.1 *Social Inclusion; Customer Focus; Sustainability; Human Rights; Corporate; Other Legal Considerations*

## **12 ADVICE SOUGHT**

12.1 The Council's Monitoring Officer (Divisional Director – Legal and Democratic Services) and Section 151 Officer (Divisional Director - Finance) have had the opportunity to input to this report and have cleared it for publication.

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<b>Sponsoring Cabinet Member</b>	Councillor Tim Ball
<b>Background papers</b>	None
<b>Please contact the report author if you need to access this report in an alternative format</b>	