

Report of	Meeting	Date
Director of Partnerships, Planning and Policy (Introduced by the Executive Member for Homes and Business)	Executive Cabinet	21 June 2012

CHORLEY COUNCIL'S DRAFT TENANCY STRATEGY

PURPOSE OF REPORT

1. To make Executive Cabinet aware of the Draft Tenancy Strategy and its principles.

RECOMMENDATION(S)

2. The Executive Cabinet are asked to approve the draft strategy therefore allowing consultation to begin on the document with Registered Providers and other partners.

EXECUTIVE SUMMARY OF REPORT

3. The Localism Act 2011 requires each Local Housing Authority to publish a Tenancy Strategy, and Registered Providers of social Housing in the borough must have regard to the strategy when developing their Tenancy Policies.

The Localism Act allows the Registered Providers (who have a development agreement with the Homes and Communities Agency) to use the new tenure option of Affordable Rent. Affordable Rent can be set up to 80% of an equivalent market rent, which is likely to be significantly more than a traditional Social Rent in many areas of Chorley. The extra money generated from Affordable Rents will then enable Registered Providers to deliver more new affordable housing.

When the Affordable Rent tenure is used the Registered Provider can choose to issue a fixed term tenancy (minimum 2 years in exceptional circumstances), or may choose to offer a lifetime tenancy.

It has been identified that Affordable Rent provides significant risks in terms of unaffordability and the threat of homelessness due to its higher costs and less secure fixed term tenancies. Chorley Council hopes to mitigate these through this Tenancy Strategy and working with Registered Provider partners.

The scope of the Tenancy Strategy as defined by the Localism Act 2011 includes:

- The kinds of tenancies they will grant
- Where they grant tenancies for a fixed term, the length of those terms
- The circumstances under which they will grant tenancies of a particular type
- The circumstances under which a tenancy may or may not be reissued at the end of the fixed term, in the same property or in a different property.

The strategy seeks to influence the provision and delivery of housing in the borough and work towards achieving the following aims:

- Ensure that vulnerable people are granted tenancies which offer a stable environment and are conducive to meeting their support needs.
- Ensure that fixed term tenancies do not increase the number of households threatened with homelessness in the borough.
- Make best use of the social housing stock in Chorley
- Encourage the continuing high delivery of Affordable Housing in Chorley

The principles of the Tenure Strategy are summarised in the following in the following expectations that Chorley Council has of the Registered Providers in the borough:

- The Council expects that existing traditional Social Rent properties provided with either grant, developer or Council capital contributions will remain Social Rent and therefore will not be converted to Affordable Rent;
- The Council expects all new social housing provided via developer or Council contributions will be Social Rent tenure and not Affordable Rent;
- The Council expects the vast majority of the social housing stock within the borough to remain Social Rent, and any conversions to Affordable Rent will already have been formally agreed as part of the 2011-15 Affordable Housing Programme offers;
- The Council expects that in the interests of sustainable communities, lifetime tenancies will be offered when the Affordable Rent tenure is granted, except in exceptional circumstances;
- The Council expects that any fixed term tenancies will be a minimum of five years;
- The Council expects that housing where support is a condition of the tenancy will not use Affordable Rent;
- The Council expects that fixed term tenancies will not be used for designated older persons' accommodation, even if Affordable Rent is a condition of funding;
- The Council expects that Affordable Rent levels will not exceed the Local Housing Allowance.

The above expectations seek to minimise any negative impact on affordability and homelessness in the borough by making clear Chorley Council's position with regards to the new tenure options.

Confidential report Please bold as appropriate	Yes	No
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Key Decision? Please bold as appropriate	Yes	No
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REASONS FOR RECOMMENDATION(S)

4. It is important that the strategy goes to consultation and is adopted in a timely manner to allow it to have influence on the Registered Providers tenancy policies at the earliest opportunity.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

5. As the Localism Act 2011 requires Chorley Council to publish a Tenancy Strategy so no other options were considered.

CORPORATE PRIORITIES

6. This report relates to the following Strategic Objectives:

Strong Family Support		Education and Jobs	
Being Healthy		Pride in Quality Homes and Clean Neighbourhoods	X
Safe Respectful Communities	X	Quality Community Services and Spaces	
Vibrant Local Economy		Thriving Town Centre, Local Attractions and Villages	
A Council that is a consistently Top Performing Organisation and Delivers Excellent Value for Money			

BACKGROUND

7. As explained in the Executive Summary, the Localism Act 2011 requires strategy to be written due to the introduction Affordable Rent tenure and flexible/fixed term tenancies. The strategy needs to make clear the council's position on the new tenure options and in doing so promote affordable housing and sustainable communities in Chorley.

IMPLICATIONS OF REPORT

8. This report has implications in the following areas and the relevant Directors' comments are included:

Finance	X	Customer Services	
Human Resources		Equality and Diversity	
Legal	X	Integrated Impact Assessment required?	
No significant implications in this area		Policy and Communications	X

COMMENTS OF THE STATUTORY FINANCE OFFICER

9. There are no direct financial implications associated with this report.

COMMENTS OF THE MONITORING OFFICER

10. There are no comments.

COMMENTS OF THE HEAD OF POLICY AND COMMUNICATIONS

11. This strategy is required by legislation, and establishes the council's expectations and objectives around the rented social housing stock in the borough. An integrated impact assessment of the strategy will be undertaken following the consultation, so that information gathered there can be taken into account in ensuring that the strategy makes proper consideration of the needs of people with protected characteristics.

LESLEY-ANN FENTON
DIRECTOR OF PARTNERSHIPS, PLANNING AND POLICY

Background Papers			
Document	Date	File	Place of Inspection
Chorley Council's Draft Tenancy Strategy	May 2012	***	Copy Attached

Report Author	Ext	Date	Doc ID
Mick Coogan	5552	May 2012	***