

Report of	Meeting	Date
Director of Partnerships, Planning and Policy (Introduced by the Executive Member for Homes and Business)	Executive Cabinet	13 December 2012

## **ADOPTION OF CHORLEY COUNCIL'S TENANCY STRATEGY**

### **PURPOSE OF REPORT**

1. To advise Executive Cabinet of the results of the consultation exercise following presentation of the draft Tenancy Strategy on 21 June and to seek adoption of the revised Tenancy Strategy – copy attached.

### **RECOMMENDATION**

2. Executive Cabinet are asked to approve the attached Tenancy Strategy.

### **EXECUTIVE SUMMARY OF REPORT**

3. Localism Act 2011 requires each Local Authority to publish a Tenancy Strategy and Registered Providers of social housing must have regard to the strategy when developing their tenancy policies.
4. The Council's Tenancy Strategy seeks to both highlight and mitigate the risks posed by Affordable rents in terms of higher costs, consequent affordability issues and reduced security. In addition the strategy looks to influence the provision and delivery of affordable housing in the borough by setting out the Council's aims and expectations and ensuring that best use is made of the social housing stock.
5. The principles of the Tenancy Strategy and Council's expectations are as follows:
  - that existing Social rent properties provided with either developer or Council contributions will remain as Social rent and will not be converted to Affordable rent
  - that all new social housing provided via developer or Council contributions will be for Social rent not Affordable rent, for example, section 106 sites
  - the majority of social housing stock will remain at Social rents ,exceptions to this will be where conversions to Affordable rent have been agreed as part of the 2011-2015 Affordable Housing Programme with individual Registered Providers(RPs) and the Homes and Communities Agency (HCA).The HCA has made Affordable rent a condition of all grant funding.
  - that in the interests of the creation of sustainable communities Affordable rent fixed term tenancies will be for a minimum of five years and that fixed term tenancies will be offered in exceptional circumstances

- that where support is a condition of the tenancy Affordable rent will not apply
- that fixed term tenancies will not be used for designated older persons' accommodation
- that Affordable rent levels will not exceed Local Housing Allowance levels.
- that RPs will allocate all new properties and relets via Select Move

In addition to the above RPs are expected to advise the Council on an annual basis how additional monies generated by Affordable rents have been, or are intended to be, utilised for new affordable housing in the borough.

5. The above expectations seek to minimise any negative impact on affordability and homelessness in the borough by making clear the Council's position with regard to the tenure of Affordable rent.

## RESULTS OF CONSULTATION

6. The consultation period ran for six weeks 26 June to 7 August 2012 and all RPs with stock in the borough were invited to comment. Comments were received from three RPs – Adactus /CCH, Places for People and New Progress.
7. Generally RPs agreed with most of the principles of the Tenancy Strategy. RP's concerns were mainly around flexibility in terms of conversions from Social rent to Affordable rent in order to allow them to generate funds to help them deliver more affordable homes. In order to address these concerns the strategy has been amended to allow some consideration and flexibility by discussion with and consent of the Council. One RP asked if the Chorley strategy was linked to the Lancashire strategy. There were also some comments and points of clarification and the text of the document has been changed accordingly. For example, New Progress noted that do not intend to use affordable rent for older persons' accommodation. One RP expressed concern at the Local Housing Allowance being considered as a ceiling, this comment has been noted but the text at paragraph 7.1 remains unchanged.
8. On approval the agreed strategy will be issued to each partner RP. Those who have commented will be advised as to if and how the strategy has been amended, with thanks for their contributions.

<b>Confidential report</b> Please bold as appropriate	Yes	<b>No</b>
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<b>Key Decision?</b> Please bold as appropriate	Yes	<b>No</b>
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## REASONS FOR RECOMMENDATION

9. It is important that the Tenancy Strategy is adopted in a timely manner in order to comply with legislation and to influence and inform the tenancy policies being developed by Registered Providers.

## ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

10. The Localism Act 2011 requires local authorities to publish a Tenancy Strategy consequently no other options were considered.

## CORPORATE PRIORITIES

11. This report relates to the following Strategic Objectives:

Involving residents in improving their local area and equality of access for all		A strong local economy	
Clean, safe and healthy communities		An ambitious Council that does more to meet the needs of residents and the local area	x

## BACKGROUND

12. The Localism Act allows Registered Providers (RPs) who have a development agreement and contract with the HCA to use the tenure option of Affordable rent. An Affordable rent is one which is set at 80% of the market rent for the area. Affordable rents in Chorley are in most cases higher than Social rents. In allowing RPs to charge higher rents the government expects that the additional income generated will be used to deliver more affordable housing. When an Affordable rent is offered the RP can choose to issue either a fixed term tenancy (minimum 5 years) or a lifetime tenancy. RPs have indicated that will offer lifetime tenancies wherever possible.
13. As detailed in the Executive Summary the Localism Act 2011 requires local authorities to have a Tenancy Strategy. The strategy needs to make clear the Council's position with regard to Affordable rents and how it plans to promote affordable housing as well as assisting in the creation of sustainable communities. Prior to the adoption of the Tenancy Strategy the Council is required to consult with RPs. Following presentation of the draft tenancy strategy to Executive Cabinet in June the document was put out for consultation. The consultation period ran for six weeks.
14. Early in 2012 a number of local authorities across Lancashire got together to develop a Lancashire wide tenancy strategy. Officers from Chorley attended the meetings which were held to formulate this county wide strategy but it was made clear that Chorley would be developing its own strategy in accordance with Members' wishes. The draft Lancashire Tenancy Strategy was put out for consultation in the summer and is due for adoption by a number of Lancashire authorities in the coming months. Once approved and adopted Registered Providers will be informed that the Chorley Tenancy Strategy is the one they must have regard to in terms of their stock and development plans in Chorley and that the Lancashire Strategy applies to those other authorities who have specifically agreed and signed up to the same.

## IMPLICATIONS OF REPORT

15. 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?	Yes
No significant implications in this area		Policy and Communications	x

## COMMENTS OF THE STATUTORY FINANCE OFFICER

16. There are no financial implications.

## COMMENTS OF THE MONITORING OFFICER

16. The duty of local authorities contained in the Localism Act 2011 to introduce a Tenancy Strategy following consultation is addressed within the body of the report.

## COMMENTS OF THE HEAD OF POLICY AND COMMUNICATIONS

17. The Tenancy Strategy has the potential to impact upon people with protected characteristics. An integrated impact assessment has been completed and indicates that the strategy should support the needs of tenants with protected characteristics, such as older people and disabled people. The impact assessment will be reviewed in 12 months, when it will be possible to assess how the strategy is having an impact.

LESLEY-ANN FENTON

DIRECTOR OF PARTNERSHIPS, PLANNING AND POLICY

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Background Papers			
Document	Date	File	Place of Inspection
Chorley Council's Draft Tenancy Strategy – report	21 June 2012	<a href="http://cbc-us-mod/documents/s26550/Chorley%20Councils%20Draft%20Tenancy%20Strategy%20Executive%20Cabinet%20Report.pdf">http://cbc-us-mod/documents/s26550/Chorley%20Councils%20Draft%20Tenancy%20Strategy%20Executive%20Cabinet%20Report.pdf</a>	Web
Chorley Council's Draft Tenancy Strategy	21 June 2012	<a href="http://cbc-us-mod/documents/s26551/Chorley%20Councils%20Draft%20Tenancy%20Strategy.pdf">http://cbc-us-mod/documents/s26551/Chorley%20Councils%20Draft%20Tenancy%20Strategy.pdf</a>	Web
The Localism Act 2011	2012	<a href="http://www.legislation.gov.uk/uksi/2012/2420/made">http://www.legislation.gov.uk/uksi/2012/2420/made</a>	Web