



**TENANCY STRATEGY AND TENANCY POLICY**  
**REPORT OF DEPUTY CHIEF EXECUTIVE (COMMUNITY**  
**DIRECTION)**

**WARDS AFFECTED: ALL WARDS**

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1. **PURPOSE OF REPORT**

- To inform Members of the requirement to produce a Tenancy Strategy and a Tenancy Policy;
- To introduce the draft Tenancy Strategy and Tenancy Policy attached as appendices A and B

2. **RECOMMENDATION**

- I. That Members approve the adoption of the Tenancy Strategy and Tenancy Policy;
- II. That Members note consultation for the Tenancy Strategy and Tenancy Policy has taken place with the Tenants Advisory Panel, applicants on the Council's Housing Register, and Registered Providers active in the Borough;
- III. That Members note that there is no change in Council policy with respect to Flexible Tenancies, and no existing Council stock will be converted to affordable rent.

3. **BACKGROUND TO THE REPORT**

- 3.1 The Localism Act, introduced in 2011, allows a number of new freedoms for Registered Providers. Included in this is:
- The ability for Registered Providers to charge affordable rent in certain circumstances;
  - The ability for Registered Providers to introduce flexible tenancies for a fixed term for all new tenants.
- 3.2 The Localism Act also introduces a new obligation for every Local Authority to publish a Tenancy Strategy. The latest date that the Tenancy Strategy can be introduced is January 2013. This sets the overarching matters that Registered Providers must have regard to when writing their own policies.
- 3.3 In addition, an important requirement of the Localism Act is that Registered Providers produce a "Tenancy Policy" setting out the organisation's policies. This is for any stock holding Local Authority and therefore includes Hinckley and Bosworth Borough Council. This is in addition to the Tenancy Strategy. The Tenancy Policy must give:
- a clear and transparent explanation of what decisions will affect the type of tenancy offered to applicants,
  - the conditions under which a flexible tenancy will or will not be renewed.
  - The rights of appeal against a non-renewal of tenancy.
- 3.4 Members have already considered some aspects of the Tenancy Strategy and Tenancy Policy. In particular, the approach to affordable rent was set at Council on 19<sup>th</sup> June 2012. A briefing note on flexible tenancies has also been presented to Members.

#### 4. THE TENANCY STRATEGY

- 4.1 The purpose of the Tenancy Strategy is to give guidance and information to Registered Providers of social housing. It must set out the broad objectives on the granting of tenancies to be taken into consideration by Registered Providers operating in the area.
- 4.2 Registered Providers have been granted more freedoms in the length and types of tenancy they are now able to grant. The Tenancy Strategy sets out the Local Authorities broad objectives on:
- The use of affordable rent in the Borough;
  - The use of flexible tenancies including
    - Length of tenancy for different client groups
    - Notice to leave
  - Homelessness duty
  - Stock disposals.
- 4.3 A joint consultation event for stakeholders active in the districts of Blaby District Council, Charnwood Borough Council, Harborough District Council, Hinckley and Bosworth Borough Council, Melton Borough Council and North West Leicestershire District Council, was hosted by North West Leicestershire District Council in November 2011. This included representatives from Registered Providers active in the Borough, Third Sector agencies and partners from Leicestershire County Council. The outcomes of this consultation event informed the recommendations set out in the Tenancy Strategy, which has been circulated to all Registered Providers owning or developing social housing in the Borough.
- 4.4 Consultation on the draft Tenancy Strategy and Tenancy Policy has also taken place with the Tenants Advisory Panel and with applicants on the Council's housing register. Twenty five responses were received from home seekers. The results of the responses are set out in appendix C.

#### 5. THE TENANCY POLICY

- 5.1 The Tenancy Policy sets out the approach the Borough Council will take in relation to its own stock. The key policies set out in this document are:
- The Council will not introduce flexible tenancies and will continue to offer lifetime tenancies to all its' tenants;
  - The Council will only use affordable rent for its' own stock where it is a condition of receiving grant from the Homes and Communities Agency.

#### 6 FINANCIAL IMPLICATIONS [KB]

- 6.1 The impact of affordable rents will potentially raise additional income for the Council as they will be set at a higher rate than current rent levels. In order to make this economically viable, this will only be performed where grant can be received from the Homes and Communities Agency. An appropriate bad debt provision will need to be forecast for all affordable rent to reflect the increase in levels and potential for non payment.

#### 7 LEGAL IMPLICATIONS [AB]

- 7.1 Contained within the body of the report.

## 8 CORPORATE PLAN IMPLICATIONS

- 8.1 The consideration of Affordable Rent and Discounted Sale housing supports the following aims of the Corporate Plan 2009 – 2014:
- Strong and distinctive communities
  - Decent, well managed & affordable housing

## 9 CONSULTATION

- 9.1 Consultation has taken place with stakeholders as set out in paragraphs 4.3 and 4.4. A questionnaire on the draft Tenancy Strategy and Tenancy Policy has been advertised to applicants on the Housing Register via the Choice Based Lettings website. The draft Tenancy Strategy and Tenancy Policy has also been circulated to members of the Tenants Advisory Panel, and Registered Providers who either develop or manage stock in the Borough.

## 10 RISK IMPLICATIONS

It is the Council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.

It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.

The following significant risks associated with this report / decisions were identified from this assessment:

Management of significant (Net Red) Risks		
Risk Description	Mitigating actions	Owner
The retaining of lifetime tenancies will lead to a slower turnover of stock.	Ensure the supply of new affordable housing is maximised. Consider offering incentives to tenants who are underoccupying properties	Valerie Bunting
The continued provision of social rents will reduce the supply of new build properties.	Use of affordable rent for new build with Homes and Community Agency Grant. Consideration of affordable rent properties from Registered Providers.	Valerie Bunting

## 11. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

- 11.1 This report is concerned with ensuring that a supply of affordable housing is available in the Borough for people in the greatest need. This includes consideration of people from vulnerable groups, and those living in rural areas. The minimum tenancy length considers different client groups, and only recommends a relatively short tenancy (2 years) for people under 35 in exceptional circumstances. This reflects the greater mobility of this client group, and the higher rate of churn for younger tenants.

## 12. CORPORATE IMPLICATIONS

12.1 By submitting this report, the report author has taken the following into account:

- Community Safety implications – None identified
  - Environmental implications – None identified
  - ICT implications – None identified
  - Asset Management implications – None identified
  - Human Resources implications – None identified
  - Planning Implications – None identified.
  - Voluntary Sector – None identified
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Background papers:   Appendix A: Tenancy Strategy  
                              Appendix B: Tenancy Policy  
                              Appendix C: Housing Register Consultation Responses

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