

Southend-on-Sea Borough Council

Corporate Director of Adult & Community Services

to

Cabinet

on

8th January 2013

Report prepared by: Daniel Baker, Group Manager Strategy
and Planning

Agenda
Item
No.

Southend-on-Sea Borough Council's Strategic Tenancy Strategy

1. Purpose of Report

- 1.1 To present the draft Southend-on-Sea Borough Council Strategic Tenancy Strategy for consideration and agreement.
- 1.2 The key purpose of this strategy is to provide social housing landlords in Southend with a document which will help inform their approach to letting social housing tenancies.

2. Recommendation

- 2.1 To agree the Strategic Tenancy Strategy 2013-18 following final consultation with local social housing landlords and other key stakeholders.

3. Background

- 3.1 The year since the publication of Southend's *Housing Strategy 2011-2021*¹ has seen significant changes to national and local housing policy. A number of new powers and duties have been enacted which mean that Local Authorities can exercise greater control over how housing is delivered in their areas.
- 3.2 The key legislative instrument for these changes is the *Localism Act 2011*² (the *Act*). Enacted in stages throughout 2012 the *Act* has increased Local Authority freedom to amongst other things; locally determine the allocation of social housing, introduced changes to the type and length of social housing tenancies including flexible tenancies, allow greater flexibility when discharging homelessness duty into private rented sector properties and introduced long awaited reforms to the Housing Revenue Account.

¹ [The Southend-on-Sea Housing Strategy 2011-21, SBC \(2011\)](#)

² [A plain English guide to the Localism Act, CLG \(2012\)](#)

- 3.3 Other changes outside of the *Act* have seen higher cost, (up to 80% of market rent) *Affordable Rent*³ tenancies introduced in the Housing Association sector (as direct capital subsidy has been reduced), housing market stimulus initiatives announced within the *Housing Strategy for England*⁴ and the re-invigoration of the *Right to Buy*⁵ policy.
- 3.4 In addition to these direct housing policy changes, reforms within other areas of public policy, particularly in welfare and planning, will have considerable impacts on the housing market and housing supply in the future.
- 3.5 In order to ensure that Southend is prepared for the challenges and in a position to take advantage of the opportunities a number of key policy decisions are required over the next 12 months.
- 3.6 There are three housing policy issues Tenure Reform, Housing Allocations and Homelessness duty discharge which given their nature should be considered as a whole.
- 3.7 This report deals with the adoption of a Strategic Tenancy Strategy for Southend. Further reports will come forward to address the Allocations Policy, Homelessness duty discharge and the Tenancy Policy to be adopted by the Council in respect of its role as landlord for the Council's housing stock.

Tenure Reform- Tenancy Strategy

- 3.8 The *Act* dictates that each Local Authority is required to produce a Strategic Tenancy Strategy⁶ by the 15th January 2013 which sets out the broad principles that Registered Providers must consider when implementing flexible tenancies for new tenants.
- 3.9 The purpose of the Strategic Tenancy Strategy is to help shape the policies of social housing landlords (Registered Providers/Housing Associations) who manage properties in Southend, especially on the extent to which they make use of fixed term tenancies. The legislation does not require landlords to comply with the Strategy, though they must *have regard to it*.
- 3.10 That is likely to mean that they must have serious regard to it, think about how it interacts with their business model and aspirations, but they may depart from it if they have good reasons to do so. Social housing landlords often own homes in many different council areas, so they must *have regard to* a potentially large number of strategies. A number of

³ [Affordable Rent, HCA \(2012\)](#)

⁴ [Laying the Foundations: A Housing Strategy for England, HM Government \(2011\)](#)

⁵ [Right to Buy, CLG \(2012\)](#)

⁶ [Writing an effective tenancy strategy, LGA \(2012\)](#)

social housing landlords are already or plan to make use of fixed term tenancies.

- 3.11 The Strategic Tenancy Strategy does not outline how the Council/South Essex Homes, as landlord, choose to implement fixed term tenancies.
- 3.12 Southend-on-Sea Borough Council, acting in its social housing landlord function (with South Essex Homes as management organisation), is required to develop its own *Tenancy Policy* in order to be able to use flexible tenancies. It is proposed that this is developed and fully consulted upon following publication of the Strategic Tenancy Strategy for introduction in 2013/4.
- 3.13 The *Southend Tenancy Strategy 2013-18* outlines broad principles which have been developed through consultation with local social housing landlords and mindful of the legal requirements of the *Act*;
- Flexible tenancies can be a useful tool to better manage stock which is under-occupied or no longer meets the residents needs.
 - Generally flexible tenancies should consist of a 1 year introductory tenancy followed by a flexible tenancy of a minimum term of 5 years.
 - Where a flexible tenancy is coming to an end the tenant should be given suitable notice of the next steps (whether the tenancy will be renewed or ended), given advice on alternative housing options and be made aware of their right to review decisions
 - Whilst flexible tenancies could be offered in the majority of cases there will be certain groups who require lifetime tenancies eg older applicants seeking sheltered accommodation
 - Existing tenants should be moved to tenancies with at least the same level of security e.g. existing assured/secure tenants would move to assured/secure tenancy. Unless they voluntarily bid for a alternative accommodation through CBL.
 - Social landlords should set new Affordable Rents at generally affordable levels
- 3.14 A TGSE document has been produced in the interim to give guidance to local social housing landlords. A copy of the proposed Southend-on-Sea Borough Council Strategic Tenancy Strategy is attached as **Appendix 1**.

Type of Tenancy	By Law before April 2013	Options after April 2013	Comments
Local Authority secure tenancy	✓		A 'lifetime' tenancy for existing tenants
Local Authority new secure tenancy		✓	A 'lifetime' tenancy for new tenants with exceptional circumstances e.g. rehoused in sheltered housing
Flexible tenancy		✓	A rolling 5 year fixed term tenancy subject to review
Introductory tenancy		✓	An introductory tenancy is a one-year trial council tenancy
Assured tenancy (Social housing landlords)	✓		A Housing Association 'secure' tenancy. It is likely that RPs will also provide flexible tenancies after April 2013

Table 1 Showing range of social housing tenancy options post Localism Act

4. Other Options

4.1 The Council has a statutory duty to produce a Strategic Tenancy Strategy.

5. Reasons for Recommendation

5.1 To fulfil Southend Borough Council's statutory commitments as outlined in the Localism Act 2011.

6. Corporate Implications

6.1 Contribution to Council's Vision and Corporate Priorities

The policies discussed in this paper help to contribute to achievement of the corporate aim- *Enabling well planned quality housing and developments that meet the needs of Southend's residents and businesses*

6.2 Financial Implications

No direct implications.

6.3 Legal Implications

The Localism Act requires that Local Authorities publish a Tenancy Strategy by 15th January 2013.

6.4 People Implications

This strategy will provide a consistent framework for social housing landlords to consider when deciding on which tenancies will be given to people moving into social housing.

6.5 Property Implications

None identified.

6.6 Consultation

A consultation exercise with local social housing landlords was undertaken in Summer 2012 seeking their views and reactions to the new tenancy reforms. A questionnaire was sent to social housing landlords and a collection of the responses has helped to inform the production of the Strategy. The draft strategy has been distributed to local social housing landlords for comment before final agreement.

The report was considered and discussed at the Community Services and Culture Scrutiny Committee meeting on the 27th November 2012. A number of questions were asked and responded to. A further detailed review of the document was held at the Scrutiny Committee's in-depth housing project on the 20th December. Further comments and suggestions from the final consultation, including the Scrutiny Committee meeting on the 20th December have been incorporated within the document.

6.7 Equalities and Diversities Implications

An Equality Analysis of the Strategic Tenancy Strategy is being finalised and will be published with the final document.

6.8 Risk Assessment

Local social housing landlords should have regards to the Strategic Tenancy Strategy when developing their detailed policies on implementing fixed term tenancies.

All policy responses should be compatible with and assessed in line with ongoing welfare reforms.

6.9 Value for Money

The efficient use of the social housing stock through encouraging under-occupying households into smaller properties helps to release properties which can accommodate larger families.

6.10 Community Safety Implications

Effective tenancy management is an essential part of achieving community safety.

6.11 Environmental Impact

Effective tenancy management can help to contribute towards achieving a high quality local environment.

6.12 Background Papers

The Southend-on-Sea Housing Strategy 2011-21, SBC (2011)

A plain English guide to the Localism Act, CLG (2012)

Affordable Rent, HCA (2012)

Writing an effective tenancy strategy, LGA (2012)

7 Appendices

Appendix 1 Draft Southend-on-Sea Borough Council Strategic Tenancy Strategy 2013-18