



Derby City Council

COUNCIL CABINET
17 January 2018

ITEM 8

Report of the Cabinet Member for Housing and
Urban Renewal

Derby City Council Tenancy Strategy

SUMMARY

- 1.1 Derby's first [Tenancy Strategy](#) was launched in 2012, following a requirement of the Localism Act 2011. This strategy is primarily concerned with our approach to the use of fixed term tenancies and the use of the 'Affordable Rent' model for social housing.
- 1.2 The Housing and Planning Act 2016 made many of the policy areas mandatory that had previously been discretionary, therefore reducing the need for local policy. Although the Act has been enacted we are awaiting regulations which will bring the Act into force and provide the detail on its delivery.
- 1.3 As we were awaiting regulations at the point of expiry of the first strategy, a decision by Cabinet was made in December 2016 to extend the strategy until regulations were issued.
- 1.4 The current strategy extension expires at the end of 2017. This leaves us with 2 options: to either extend the provisions of the current strategy again or draft a new one.
- 1.5 We continue to await regulations from Government. DCLG have confirmed that the regulations still need to be drafted and put out for consultation with local authorities.
- 1.6 Therefore a further extension would be advisable until the regulations have been issued.

RECOMMENDATION

- 2.1 To extend the current Tenancy Strategy on an open ended basis, with a new strategy to be written when regulations are issued (subject to any earlier mandatory trigger dates that the prospective regulations may stipulate).

REASONS FOR RECOMMENDATION

- 3.1 The Localism Act 2011 introduced the statutory requirement for local authorities to produce a tenancy strategy. Furthermore the Housing and Planning Act 2016 makes mandatory many of the elements (such as fixed term tenancies) which were discretionary under the Localism Act. This proposal will meet these statutory requirements until regulations are issued at which point a new strategy will need to be adopted.

- 3.2 The current tenancy strategy extension is due to expire this year and the Council is statutorily required to extend or adopt a further strategy.
- 3.3 Regulations bringing the Housing and Planning Act 2016 into force are yet to be released. Any strategy written prior to their release will need to be reviewed and it is likely a further strategy revision will be necessary. Therefore it is proposed to extend the current strategy and to adopt a new strategy after regulations are released.



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Report of the Strategic Director for Communities and Place

SUPPORTING INFORMATION

- 4.1 The Localism Act 2011 introduced the statutory requirement for local authorities to produce a tenancy strategy. The Derby City Tenancy Strategy 2012 – 2016 (and its subsequent extension) is due to expire and we are required to undertake a further extension or implement a new one. The current national legislative and policy context suggest a postponement would be advisable.
- 4.2 In brief, there are two important factors currently impacting on the choice of timing of a new strategy:
- The Housing and Planning Act 2016 supersedes many policy areas required in the authority's tenancy strategy and has made them mandatory in law. However, regulations bringing these mandatory areas into force have not yet been released. These regulations are likely to relate to a number of issues including the use of fixed term tenancies.
 - At a national political level, the reduced Government majority may result in further changes of emphasis in policy.
- 4.3 Both of these factors suggest that any new strategy could soon become out of date or non-compliant with new regulations. Therefore, to extend the provisions of the current strategy, postponing the drafting of a new one, is the preferred option.

- 4.4 The policy decisions in the current Tenancy Strategy are still appropriate and relevant. These are:
- Fixed Term Tenancies – Derby rejected the use of these when they were made discretionary under the Localism Act. The Tenancy Strategy 2012 – 16 set out extensive advantages and disadvantages to the use of Fixed Term Tenancies and took the view that although there could be some advantages to be gained, the risks and potential negative effects outweigh any positive benefits. We are satisfied that the rationale for the original policy decision is still relevant.
 - Affordable Rent Model – The Tenancy Strategy 2012 – 16 set out that, subject to the caveats set out in the document, the council is broadly supportive of the principle of affordable rents, as a means of broadening housing diversity and choice, and generating additional funds to support the viability of newbuild programmes. However, the strategy sets out limitations on their use to ensure tenancies remain affordable, particularly for groups most affected by welfare reform. Again we are satisfied that the rationale for this original policy decision (to the use of affordable rents on a case by case basis) is still relevant. Further needs analysis and a consideration of cases where affordable rent has been used will be collected for our subsequent Tenancy Strategy.
 - Homelessness Strategy – still in place, relevant and consistent with the aims of this strategy.
 - Allocations Policy – still in place, relevant and consistent with the aims of this strategy.
- 4.5 The Housing and Planning Act 2016 also introduces the 'Pay to Stay' element of tenure reform however this has subsequently been abandoned by Government.
- 4.6 No official dates have been given for the issue of regulations bringing the 2016 Act into force.
- 4.7 Therefore this extension would be open ended, with a new Tenancy strategy being developed and ready for commencement following the issue of regulations (subject to any earlier mandatory trigger dates that the prospective regulations may stipulate).

OTHER OPTIONS CONSIDERED

- 5.1 The authority could consider writing a new strategy at this stage. However the first set of regulations (those for fixed term tenancies) are expected in 2018.

This report has been approved by the following officers:

Legal officer Financial officer Human Resources officer Estates/Property officer Equalities Health and Safety Environmental Sustainability Risk Service Director(s) Other(s)	Olu Idowu Amanda Fletcher Zoe Bird Jayne Sowerby-Warrington Anne Webster John Tomlinson Andy Hills Richard Boneham Greg Jennings
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Background papers:	Derby City Tenancy Strategy 2012 – 2016 http://www.derby.gov.uk/media/derbycitycouncil/contentassets/documents/strategies/DerbyCityCouncil-Tenancy-Strategy-2012-16.pdf Localism Act 2011 http://www.legislation.gov.uk/ukpga/2011/20/contents/enacted Housing and Planning Act 2016 http://www.legislation.gov.uk/ukpga/2016/22/contents/enacted
List of appendices:	Appendix 1 – Implications

IMPLICATIONS

Financial and Value for Money

- 1.1 This proposal does not have any additional financial implications.

Legal

- 2.1 The Localism Act 2011 provided the statutory basis for an extensive housing reform programme and obliges the Council to formulate a tenancy strategy as a legal requirement to comply with the Act.

Personnel

- 3.1 None arising directly from this report.

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- 4.1 None arising directly from this report.

Equalities Impact

- 5.1 The strategy is concerned with the most effective use of social housing. These homes are predominantly occupied by households on low incomes and potentially vulnerable households. Continued implementation of this strategy should therefore help these groups. An Equality Impact Assessment will be undertaken when we produce the new Strategy. Equality Impact Assessments have been undertaken for the associated Homelessness Strategy and Allocations Policy which are both still timely and relevant.

Health and Safety

- 6.1 None directly arising.

Environmental Sustainability

- 7.1 None directly arising

Property and Asset Management

- 8.1 Continuing to implement 'affordable rents' may in future (subject to contractual arrangements with the Homes and Communities Agency) provide a source of

additional funding to support building new social housing stock.

Risk Management and Safeguarding

9.1 Key risks and their impact are set out in sections 4.3 and 4.4 above.

Corporate objectives and priorities for change

10.1 The strategy is principally concerned with more effective targeting of Council homes, best use of our resources and supporting strong and sustainable communities. It is also concerned with more effective use of the private sector to increase choice and reduce costs. Consequently it contributes to our corporate objective of:

“Improving housing, supporting job creation and regenerating the city”.

10.2 Because suitable accommodation is essential to health and security, and because our housing and related support services are targeted at the most vulnerable; these changes also contribute to our corporate objectives concerning:

“Promoting health and well-being”.