



Derby City Council

COUNCIL CABINET
7 December 2016

ITEM 14

Report of the Cabinet Member for 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 current strategy expires at the end of 2016. This leaves us with 2 options: to either extend the provisions of the current strategy or draft a new one.
- 1.3 Ordinarily we would be drafting a new strategy at this stage, ready for launch in 2017. However, the Housing and Planning Act 2016 has now made these policy areas **mandatory**. Although the Act has been enacted we are awaiting Regulations which will bring the Act into force and provide the detail on its delivery that we require before the new strategy can be finalised.
- 1.4 Therefore an extension would be advisable until the Regulations have been issued. No official dates for their release have been given.

RECOMMENDATION

- 2.1 To extend the current Tenancy strategy until the end of 2017, with a new strategy set to commence in 2018 (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 the end of 2017 at which point a new strategy will be adopted.
- 3.2 The current tenancy strategy 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 is due to expire and we are required to extend our current strategy 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 and also to the 'pay to stay' policy first outlined by government earlier this year.
 - At a national political level, the recent change in leadership and cabinet composition may result in further changes of emphasis in government policy and consequent statutory guidance.
- 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. We are satisfied that the rationale for the original policy decision is still relevant. However, fixed term tenancies will almost certainly be made mandatory by regulation.
 - Affordable Rent Model – Again we are satisfied that the rationale for the 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 also introduces the 'Pay to Stay' element of tenure reform. Again this will be mandatory. 'Pay to Stay' requires higher earning social housing tenants to pay a higher rent. Regulations will be issued setting the model for calculating rents.
- 4.6 No official dates have been given for the issue of Regulations bringing the Act into force. However, we consider it reasonable to expect them in early 2017.
- 4.7 Therefore this extension would be for a fixed, specified time period, with a new Tenancy strategy being developed and ready for commencement in 2018 (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) is expected in the next month or so which might then require the strategy to be re-written.

This report has been approved by the following officers:

<p>Legal officer Financial officer Human Resources officer Estates/Property officer Service Director(s) Other(s)</p>	<p>Olu Idowu Amanda Fletcher on behalf of Martyn Marples David Cox Greg Jennings Ian Fullagar</p>
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<p>For more information contact:</p> <p>Background papers:</p> <p>List of appendices:</p>	<p>Jeremy Mason 01332 640329 jeremy.mason@derby.gov.uk or Phil Taylor 01332 640332 philip.taylor@derby.gov.uk</p> <p>Derby City Tenancy Strategy 2012 – 2016 http://www.derby.gov.uk/media/derbycitycouncil/contentassets/documents/strategies/DerbyCityCouncil-Tenancy-Strategy-2012-16.pdf</p> <p>Localism Act 2011 http://www.legislation.gov.uk/ukpga/2011/20/contents/enacted</p> <p>Housing and Planning Act 2016 http://www.legislation.gov.uk/ukpga/2016/22/contents/enacted</p> <p>Appendix 1 – Implications</p>
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IMPLICATIONS

Financial and Value for Money

1.1 This strategy 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.

IT

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 done when we produce the new Strategy in 2018.

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 None directly arising.

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”.