



To: Executive Councillor for Housing (and Deputy Leader): Councillor Catherine Smart
Report by: Liz Bisset, Director of Customer & Community Services
Relevant scrutiny committee: Community 28/6/2012 Services Scrutiny Committee
Wards affected: All Wards

TENANCY STRATEGY Key Decision

1. Executive summary

- 1.1 This report seeks approval for a Tenancy Strategy which Registered Providers (RPs) of housing operating in Cambridge must have regard to in deciding: the type of tenancies to offer; the circumstances in which they will offer a tenancy of a particular kind; the length of any fixed term tenancy; and the circumstances in which they will grant a new tenancy when a fixed term tenancy comes to an end.
- 1.2 Having a Tenancy Strategy is a legal requirement under the Localism Act, to be developed in the context of the new national Affordable Rents regime, and new flexibilities available to RPs to offer fixed term rather than lifetime tenancies.

2. Recommendations

- 2.1 The Executive Councillor is recommended:
 - 2.1.1 To approve the Tenancy Strategy for Cambridge

3. Background

3.1 National Policy Context

- 3.1.1 In the past, Registered Providers (RPs) of housing (including Housing Associations and stock-holding Local Authorities) have been required to let

their rented homes with long-term security of tenure, at a rent level calculated according to a nationally prescribed formula.

3.1.2 A new form of Affordable Housing tenure has now been introduced, known as Affordable Rent. Affordable Rent levels are to be set at up to 80% of local market rents, with the additional revenue raised from these increased rents to be invested in new Affordable Housing. To access Affordable Housing grant from the Homes and Communities Agency (HCA), RPs will be required to let the new grant-funded homes at Affordable Rents. Existing homes may also be converted to Affordable Rent when they are re-let, subject to agreement with the HCA.

3.1.3 New flexibilities have also been introduced to enable RPs to offer fixed term tenancies, rather than being required to give tenants lifetime security of tenure.

3.1.4 In this context, the Localism Act 2011 requires each local authority, in its strategic housing role, to have a Tenancy Strategy setting out the issues which Registered Providers operating in the local area must have regard to when deciding: the type of tenancies to offer; the circumstances in which they will offer a tenancy of a particular kind; the length of any fixed term tenancy; and the circumstances in which they will grant a new tenancy when a fixed term tenancy comes to an end.

3.1.5 The Strategy should not be too prescriptive – RPs only have to ‘have regard to’ it - but it is important that we have a Strategy in place, as RPs who don’t take it into account could be open to challenge from tenants who are unhappy about the terms on which their tenancies are let.

3.2 Cambridge City Council’s Tenancy Strategy

3.2.1 This Strategy has been developed at the same time as, and in the context of, the Council’s Housing Strategy 2012-15, which is also being submitted for approval by the Executive Councillor and Community Services Scrutiny during this Scrutiny Committee cycle. The proposed Tenancy Strategy is at Appendix A to this report.

3.2.2 (A Tenancy Policy for the Council’s own homes has also been developed within the context of the Housing Strategy and Tenancy Strategy, and is being submitted for approval by the Executive Councillor and Housing Management Board, again during this Scrutiny Committee cycle. This is attached for information at Appendix B to this report).

3.2.3 The main themes of the Tenancy Strategy are:

3.2.3.1 That Affordable Housing should be as affordable as possible to local people, taking into account developer viability, and that RPs should take affordability into account when deciding on the rent and service levels to apply. (Although higher rents may be partly offset by high levels of energy efficiency, providing good levels of affordable warmth).

3.2.3.2 The Council's would prefer that funding raised from Affordable Rents in the City is re-invested in new Affordable Homes within and/or on the urban fringes of Cambridge.

3.2.3.3 The Council would prefer the letting of lifetime tenancies, to promote settled lifestyles and achieve and maintain balanced communities.

3.2.3.4 Where fixed term tenancies are used, the statutory minimum of two-years should only be used in exceptional circumstances, and in all other cases should be for five years or more and preferably longer.

3.2.3.5 Where a fixed term comes to an end, the Council will expect the tenancy to be renewed other than in exceptional specified circumstances.

3.2.3.6 Where a tenancy is not to be renewed, RPs should provide advice and support to the tenant in finding suitable alternative accommodation, which could be in the private sector for tenants considered not to be vulnerable.

3.2.3.7 If existing homes are converted to Affordable Rent, a mix of size, type and tenure should be maintained in different parts of the City, and housing should remain, as far as possible, affordable to local people.

3.2.3.8 The Council supports positive action by RPs to help tenants to move to smaller accommodation where they wish to do so.

3.2.4 South Cambridgeshire District Council is developing its own Tenancy Strategy. For development on the fringes of Cambridge which is being managed jointly between the two authorities, rent levels should be consistent across each phase of development, regardless of where each home is located in relation to the district boundary. Arrangements around use of fixed term tenancies, length of tenancy and tenancy renewal on these sites will be agreed separately as part of the Local Lettings Plan for each site.

3.2.5 The sub-regional and local lettings policies are currently being reviewed, as is the process for letting the new types of tenancies through the Cambridge sub-regional Home-Link housing register.

3.2.6 The Council is keen to work with RPs in implementation and future review of the Strategy.

4. Implications

(a) Financial Implications

There are no financial implications.

(b) Staffing Implications (if not covered in Consultations Section)

There are no staffing implications.

(c) Equal Opportunities Implications

The Strategy seeks to ensure that vulnerable people continue to be able to remain in their homes long-term, either through being offered lifetime tenancies or through renewal of any fixed term tenancy.

An Equality Impact Assessment is being carried out.

(d) Environmental Implications

There are no environmental implications. A Nil climate change rating is assigned.

(e) Consultation

Registered Providers operating in the City have been consulted, and responses have been used to inform the Strategy.

(f) Community Safety

There are no Community Safety Implications.

5. Background papers

These background papers were used in the preparation of this report:

- National Housing Strategy – Laying the Foundations;
- Localism Act 2011;
- Homes and Communities Agency (formerly Tenant Services Authority) Regulatory Framework.

6. Appendices

Appendix A – Tenancy Strategy

Appendix B – Tenancy Policy

7. Inspection of papers

To inspect the background papers or if you have a query on the report please contact:

Author's Name: Helen Reed, Housing Strategy Manager

Author's Phone Number: 01223 - 457842

Author's Email: helen.reed@cambridge.gov.uk