

DECISION-MAKER:	CABINET
SUBJECT:	LOCALISM ACT 2011 - TENANCY STRATEGY 2012-2016
DATE OF DECISION:	12 MARCH 2012
REPORT OF:	CABINET MEMBER FOR HOUSING
STATEMENT OF CONFIDENTIALITY	
None	

BRIEF SUMMARY

The Localism Act 2011 introduces a requirement for local authorities to develop a tenancy strategy. This strategy is expected to set out the local authority's vision for the way in which social housing is let within their area. In particular, it must address the way in which the authority expects the new type of tenancy introduced by the act (the fixed-term tenancy) to be used by all providers in the local authority area.

In addition to the tenancy strategy the local authority must also develop a landlord tenancy policy (if it is a stock holding authority like Southampton) and have consideration to the lettings policy which needs reviewing to reflect the new provisions. Since the tenancy strategy will set the overall vision this must be decided upon before the other documents can be produced. This paper outlines the main principles of the draft tenancy strategy for Southampton. Cabinet is asked to approve the strategy subject to any significant issues arising during consultation with stakeholders.

RECOMMENDATIONS:

- (i) To approve the draft tenancy strategy subject to consultation with stakeholders.
- (ii) Following consultation to authorise officers to implement the tenancy strategy. Should significant issues arise then the matter will be referred back to Cabinet for further consideration.
- (iii) To delegate authority to the Senior Manager, Housing Services to develop and implement both the landlord tenancy policy and the allocations policy following completion of the tenancy strategy in consultation with Director Environment and Cabinet Member for Housing.

REASONS FOR REPORT RECOMMENDATIONS

1. The Localism Act 2011 introduces a number of provisions in relation to social housing. In particular, the introduction of a new type of tenancy, the fixed term tenancy, which can be used as an alternative to secure, lifetime tenancies.
2. The act also introduces new provisions in relation to the way in which the housing list is managed and how priority can be awarded. Local authorities and other social housing providers now have discretion to consider a greater range of factors when letting properties and when considering the type of tenancy to be awarded.

3. The purpose of the tenancy strategy is for the local authority to set out how it sees the new tenancy type being used, its priorities in relation to who should be housed and for how long and to set the framework within which other providers need to have regard when developing their landlord tenancy policies and allocations policies.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

4. The tenancy strategy cannot be introduced without consulting registered providers and other stakeholders. Delaying commencement of the consultation was considered, however, this option has been rejected as stakeholders are likely to have considerable interest in the provisions of the strategy and they are required to “have regard” to the strategy when developing their own tenancy policy. We are aware that some providers in the city are already using fixed term tenancies and so it is important that we introduce our tenancy strategy as soon as possible to ensure that all providers are meeting the wider aims of the city in the use of these tenancies.
5. The necessary activities could be carried out in a different sequence. For instance drafting documents and carrying out consultation prior to consideration by Cabinet. However, this would not give early guidance to other providers in the city.

DETAIL (Including consultation carried out)

6. The draft tenancy strategy 2012-2016 is attached at appendix 1. This strategy lays out the Council’s expectations of how all providers in the city will utilise the new powers within the Localism Act. The Council is clearly laying out it’s expectation that all providers will utilise the provisions in the Act to support the development of communities and make best use of stock. The Council will not support any approach that provides a disincentive to residents to seek work or improve their family’s circumstances.
7. The fixed term tenancy can be for any period in excess of two years. However, the act requires that tenancies for a period of less than five years should be used only in exceptional circumstances. The Council’s expectation is that tenancies should be for a minimum of five years and indeed the Council is suggesting that tenancies up to ten years would be desirable. At the end of the fixed period the landlord may choose whether or not to award a further tenancy. The criteria for making this decision must have been set out at the commencement of the tenancy but can include a range of factors not currently taken into account when housing is allocated.
8. Under the new arrangements housing providers have discretion to consider issues such as property condition, community contributions such as fostering or voluntary work, stability of the neighbourhood, type of property, any special adaptations and employment status and income. There are also new provisions in relation to the re-housing of ex-service personnel and the way in which local authorities’ homelessness obligations can be discharged. The Council is encouraging all providers to take these issues into account.
9. There is no prescribed length for tenancy strategies. The period 2012-2016 has been chosen as this will enable the strategy to be considered in line with future iterations of the housing and homelessness strategies.

10. Cabinet is asked to approve the implementation of this strategy subject to any significant issues arising through consultation with stakeholders. Should significant issues arise the strategy will be brought before Cabinet again for further consideration.
11. In November 2011 the Council held a housing partnership meeting with its partner RP's to consider some of the wider issues in relation to the provisions of the then Localism Bill. Feedback from partners at that event has been used to inform this draft strategy.
12. It is proposed that over the next three months the draft strategy is formally consulted upon with:
 - Registered Providers who operate within the city;
 - Neighbouring Local Authorities particularly within PUSH;
 - Other key stakeholders such as the voluntary sector; and
 - Current tenants of the City Council as well as prospective future tenants of both the City Council and other registered providers.

RESOURCE IMPLICATIONS

Capital/Revenue

13. The consultation exercise will necessitate the production of documents and use of officer time. This will be accommodated within existing budgets. Any further implications will be identified as part of the further consultation and provided for accordingly.

Property/Other

14. The tenancy strategy will set the context in which social housing in the city is let and supports the Council and its partners to make the best use of social housing in the city.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

15. The requirement to produce a tenancy strategy is included in Part 7 section 150 of the Localism Act 2011.

Other Legal Implications:

16. Section 151 of Part 7 also requires the local authority when preparing its strategy to give the registered providers a reasonable opportunity to comment on those proposals.

POLICY FRAMEWORK IMPLICATIONS

17. The city's Housing Strategy 2011-15 includes the priority to provide more affordable housing and within this context the commitment to develop a new strategic tenancy policy. The authority has entered into a partnership agreement to develop new affordable homes with six Housing Association (Registered Providers) in the city, approximately twenty RPs have housing stock in the city. This requires that adequate consultation and noticed be given where significant change is introduced.

18. The tenant involvement strategy, corporate involvement commitments and arrangements set out in the 1985 Housing Act require that the authority properly consults stakeholders when seeking to introduce new ways of working such as those set out in the localism act 2011.

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KEY DECISION? Yes

WARDS/COMMUNITIES AFFECTED:	All
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SUPPORTING DOCUMENTATION

Non-confidential appendices are in the Members' Rooms and can be accessed on-line

Appendices

1.	Appendix 1-draft tenancy strategy 2012-2016
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Documents In Members' Rooms

1.	None.
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Integrated Impact Assessment

Do the implications/subject of the report require an Integrated Impact Assessment (IIA) to be carried out.	No
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Other Background Documents

Integrated Impact Assessment and Other Background documents available for inspection at:

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1.	None

1.	None	
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