

## Cabinet

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**Date of Meeting:** 6<sup>th</sup> October 2020

**Report Title:** Tenancy Strategy 2020

**Portfolio Holder:** Cllr Nick Mannion – Portfolio Holder for Environment and Regeneration

**Senior Officer:** Frank Jordan – Executive Director - Place

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### 1. Report Summary

- 1.1. Under Section 150 of the Localism Act (2011), local authorities are required to prepare and publish a tenancy strategy. This sets out the matters that registered housing providers must consider when they are preparing their own tenancy policies.
- 1.2. This can include:
  - 1.2.1. the types of tenancies that they will grant
  - 1.2.2. the circumstances under which different tenancies are granted
  - 1.2.3. when to grant 'fixed-term' tenancies and for how long, and
  - 1.2.4. the circumstances where a further tenancy is granted following the expiry of a fixed-term tenancy.
- 1.3. In 2012, Cheshire East Council adopted its first tenancy strategy, and following a full review, we have now produced a revised draft strategy which will be tested through a consultation exercise.

- 1.4. The objective of the revised draft strategy is to ensure the best use is made of affordable housing stock to
  - 1.4.1. meet local housing need
  - 1.4.2. benefit vulnerable households
  - 1.4.3. contribute to strengthened communities
  - 1.4.4. enable households to make realistic choices based on their own circumstances.

## **2. Recommendations**

### **2.1. That Cabinet**

- 2.1.1. Authorises Officers to formally consult on the draft Tenancy Strategy for a period of 12 weeks.
- 2.1.2. Notes that Environment and Regeneration Overview and Scrutiny Committee will consider the revised draft and result of consultation once that is completed.
- 2.1.3. Delegates authority to the Director of Growth and Enterprise in consultation with the Portfolio Holder for Environment and Regeneration to consider the results of the consultation and to approve the final version of the strategy.

## **3. Reasons for Recommendations**

- 3.1. It is a statutory requirement that Local Authorities have a tenancy strategy in place under Section 150 of the Localism Act 2011. The strategy needs to reflect changes in legislation and government guidance as well as local requirements.
- 3.2. It is important that the strategy is reviewed to ensure that it remains fit for purpose and continues to ensure that the limited resource of social housing is allocated fairly, in line with legislation and with local and national priorities.

## **4. Other Options Considered**

- 4.1. There was no other alternative option considered. The current strategy was adopted in 2012 and there have been a number of changes over recent years, both locally and nationally. It is good practice to ensure that the objectives and data within the document are still reliable and relevant.

## 5. Background

- 5.1. Demand for social housing across Cheshire East continues to outstrip supply. Despite the target of 355 affordable properties per year being exceeded for the past couple of years, the number of households on the housing waiting list remains high.
- 5.2. As outlined previously, the Localism Act (2011) requires local authorities to produce a tenancy strategy, which sets out the objectives of the authority and is intended to provide registered housing providers with a clear directive for when they are determining their own in-house tenancy management policies and procedures.
- 5.3. This draft strategy sets out the current registered housing providers who are operating in Cheshire East, their numbers of housing stock and provides an analysis of local data in terms of tenure type and property prices, compared to national and regional averages.
- 5.4. Since the adoption of the 2012 Tenancy Strategy, there have been a number of significant changes within the housing sector, which this draft strategy seeks to address. The introduction of the Homelessness Reduction Act in 2017, the Government's ambition to eradicate rough sleeping by 2027, and the introduction of the Welfare Reform Act in 2012 have required local authorities to focus more clearly on how they make use of housing stock. Details of these changes in national policy are contained within the draft strategy.
- 5.5. The focus of the 2012 strategy was the promotion to registered housing providers to make use of flexible tenancies, which allowed a more fluid approach to managing stock and a move away from a 'house for life'.
- 5.6. The focus of this new draft strategy still retains the ability to use flexible tenancies, however the preference now is for lifetime tenancies, which give households the security and comfort they need to build strong and vibrant communities.
- 5.7. Stability and security of tenure are vitally important to residents in social housing across the whole borough of Cheshire East. The draft strategy considers the use of different types of tenancies, including secure tenancies and the use of flexible tenancies, which allow registered providers the ability to end a tenancy after a certain period of time. This is to ensure effective and efficient use of housing stock, and respond to changing circumstances of tenants.
- 5.8. Throughout 2019, officers requested data from the registered providers who operate within Cheshire East. This was to ascertain their use of flexible, fixed-term tenancies over recent years, and their proposed intentions to continue using these into the future. The response

demonstrated a general move away from the use of fixed-term tenancies, with only a relatively small percentage intending on using them in the future.

- 5.9. The draft strategy seeks to ensure security of tenure and promotes the use of lifetime tenancies for general needs households, as below:
  - 5.9.1. A Periodic Secure or Assured Tenancy (not a Periodic Assured Shorthold) unless used as a Probationary Tenancy (Introductory or Starter)
  - 5.9.2. If a tenancy is fixed term that it be for a period of 5 to 10 years, **or exceptionally**, in helping to manage a particular set of circumstances for the minimum of no less than 2 years, additional to the period of a Probationary tenancy.
- 5.10. Following the compiling of responses from stakeholders at the end of the consultation period, amendments and changes will be added to the draft strategy, if applicable. The final draft of the strategy will then be considered by the Overview and Scrutiny Committee before being presented to the Director of Growth and Enterprise in consultation with the Portfolio Holder for Environment and Regeneration to consider the results of the consultation and to approve the final version of the strategy.

## **6. Implications of the Recommendations**

### **6.1. Legal Implications**

- 6.1.1. The Localism Act 2011 (sections 150 - 151) places a duty on all local authorities to prepare and publish a Tenancy Strategy. The strategy has to set out the matters to which registered providers of social housing in its district are to have regard to in formulating policies relating to tenancies and should contain the following:
  - 6.1.1.1. The kind of tenancies they grant
  - 6.1.1.2. The circumstances in which they will grant a tenancy of a particular kind
  - 6.1.1.3. Where they grant tenancies for a term certain, the lengths of the terms and
  - 6.1.1.4. The circumstances in which they will grant a further tenancy on the coming to an end of an existing tenancy.

6.1.2. Before adopting a tenancy strategy or modifying it, local authorities must:

6.1.2.1. Send a copy of the draft strategy, or proposed modification, to every private registered provider of social housing for its district, and

6.1.2.2. Give the private registered provider a reasonable opportunity to comment on those proposals.

6.1.2.3. Consult such other persons as the Secretary of State may by regulations prescribe.

6.1.3. The authority must also have regard to

6.1.3.1. Its current allocation scheme under section 166A of the Housing Act 1996,

6.1.3.2. Its current homelessness strategy under section 1 of the Homelessness Act 2002

## **6.2. Finance Implications**

6.2.1. The draft strategy and the objectives included within it are cost-neutral to the Council. Any costs which arise due to the consultation will be met from existing housing budgets.

## **6.3. Policy Implications**

6.3.1. The Cheshire East Housing Strategy 2018-2023 aims for an outcome of local communities which are strong and supportive, leading to integration and social inclusion.

6.3.2. The allocation of social housing households is managed via the Common Allocations Policy (2018). One of the key objectives of that document is to 'encourage balanced and sustainable communities' which allow for registered housing provider flexibility in managing their housing stock.

6.3.3. Whilst it is a statutory requirement for the local authority to have a tenancy strategy, registered housing providers are only required to take regard of the document in their own policy development.

## **6.4. Equality Implications**

6.4.1. An Equality Impact Assessment is being completed for the draft strategy, and will consider how the objectives of the document affects those who fall within the definition of protected characteristics.

## **6.5. Human Resources Implications**

6.5.1. The consultation process will be managed and completed by existing officers, and no additional capacity for staffing will be required.

## **6.6. Risk Management Implications**

6.6.1. In order to ensure that Cheshire East do not face legal challenge it is important to ensure that all registered housing provider partners are consulted with regards to the development of the draft tenancy strategy. By consulting with partners and agreeing the proposed changes, then this mitigates against the risk of partners being unaware of the Council's objectives and ambitions.

## **6.7. Rural Communities Implications**

6.7.1. There are no direct implications for rural communities specifically; however, the strategy will apply to the whole borough of Cheshire East, including all rural communities.

## **6.8. Implications for Children & Young People/Cared for Children**

6.8.1. The strategy seeks to clarify the rationale for allocating a fixed-term tenancy for households, and for how long this should be. The strategy states that if fixed-term tenancies are to be used, they should be for a period of between five to ten years, or until the youngest child reaches school-leaving age, whichever is longer.

## **6.9. Public Health Implications**

6.9.1. The draft strategy seeks to outline Cheshire East Council's approach to tenancy management for registered housing providers. This includes ensuring households who live in social housing properties aren't experiencing over-crowding issues which may impact on their physical or mental health.

## **6.10. Climate Change Implications**

6.10.1. The Council has committed to becoming carbon neutral by 2025, and to encourage all businesses, residents and organisations in Cheshire East to reduce their carbon footprint. There are no implications from the draft strategy that will impact on this commitment.

## **7. Ward Members Affected**

7.1. All wards are affected by this updated strategy. If Cabinet approve the recommendations of the report, external consultation will take place with Ward Members for their input.

## **8. Consultation & Engagement**

- 8.1. In order to provide an updated evidence base for the draft strategy, all registered housing providers who operate within Cheshire East were contacted and asked to provide information in regards to the types of tenancies they use, as well as their future ambitions. This data helped to inform the direction of the strategy.
- 8.2. This report requests authority to consult externally with registered providers, and wider stakeholders, Members and residents of Cheshire East.

## **9. Access to Information**

- 9.1. The full draft Tenancy Strategy accompanies this report.

## **10. Contact Information**

- 10.1. Any questions relating to this report should be directed to the following officer:  
  
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