

# INDIVIDUAL CABINET MEMBER DECISION

## Refresh of Lancaster City Council's Tenancy Strategy and Tenancy Policy

### Report of Chief Officer – Housing and Property

PURPOSE OF REPORT			
The report seeks to present the updated (1) Lancaster District Tenancy Strategy and (2) Tenancy Policy for formal review and endorsement by the Cabinet Member.			
Key Decision	<input type="checkbox"/>	Non-Key Decision	<input checked="" type="checkbox"/> Referral from Cabinet Member
Date of notice of forthcoming key decision			
This report is public			

#### RECOMMENDATIONS

(1) That the Cabinet Member notes and approves:

- (1) Lancaster District Tenancy Strategy 2024 (published in draft 1st February 2024); and
- (2) Tenancy Policy (Revised August 2024).

#### 1.0 Introduction

- 1.1 The Localism Act 2011 introduced a series of social welfare reforms to give social housing providers more freedom to grant a greater range of tenancies, introduced affordable rents, provided more flexibility for councils to decide who can apply for rehousing and in discharging its homelessness duties.
- 1.2 A new requirement was also introduced: that every Local Authority should prepare and publish a Tenancy Strategy. The Council's first Tenancy Strategy was approved by Cabinet at its meeting on 22<sup>nd</sup> January 2013.
  - The Tenancy Strategy sets out the matters to which the registered providers of social housing (and in this context the local authority as a stock retaining council) for its district are to have regard, when formulating policies in relation to the type of tenancies they will grant;
  - The circumstances in which they will grant tenancies of a particular type;
  - Where tenancies are granted for a fixed term, the length of those terms;

- The circumstances in which they will grant a further tenancy on the coming to an end of an existing tenancy.
- 1.3 Having an up-to-date Tenancy Policy, outlining an authority's approach to tenancy management, is a requirement of the current Tenancy Standard.

## **2.0 Review of the Tenancy Strategy**

- 2.1 The review of the existing Tenancy Strategy acknowledges that demand for social and affordable housing has continued to increase; and that the impact of the Covid 19 pandemic triggered a reduction in turnover of existing social housing stock, coupled with a reduced number of new build affordable housing completions. This has highlighted the vital importance of social and affordable housing. Increasing homeless presentations locally and nationally, and the financial costs of providing interim accommodation for homeless households, are also having a profound negative effect on local authority budgets.
- 2.2 Established practice in the social housing sector has been for providers primarily to grant periodic tenancies (that run for an indefinite period of time) to new tenants. However, it is very common for new tenancies have an initial probationary period. In the case of a local authority this will be an 'introductory' tenancy which applies for the first 12 months of the tenancy. The broad equivalent used by private Registered Providers is to grant a 'starter' tenancy in the form of a 12 month fixed term assured shorthold tenancy. A review of the Tenancy Policies of a number of existing partner Registered Providers (RP's) indicates that this continues to be the norm in Lancaster district.
- 2.3 There are limited circumstances where fixed term tenancies are granted or where the council would opt to grant a Flexible Tenancy. Supported housing settings are typically the most common reason for not granting a periodic tenancy, given the short term nature of occupancy involved. Lancaster City Council grants non-secure tenancies in respect of its accommodation at Jubilee Court, Lancaster, a rough sleeper project which gained capital grant funding under the government's Rough Sleeper Accommodation Programme (RSAP) where households are placed in accommodation under a temporary homelessness duty. There are also a number of local shared supported housing services provided by Registered Providers where the occupancy agreement is a Licence.
- 2.4 In 2011, the government introduced affordable rents allowing social housing providers to set rents at up to 80% of the market rent in an area. Affordable rents were intended to bridge the funding gap resulting from reduced capital grant rates being assumed when the Affordable Homes Programme 2011-2015 was launched. Whilst affordable rents have become the norm in the RP sector, each RP will have its own rent-setting policy and whilst there was an initial commitment from all current RP partners to cap rents in Lancaster District at Local Housing Allowance rates, in recent years, this is not something that RP partners have been able to commit to. The sharp increase in construction and maintenance costs, coupled with increases in regulatory requirements, have resulted in Registered Providers seeking to set rents above the prevailing Local Housing Allowance rate. Whilst rents are typically

set on a scheme-by-scheme basis, this is a continuing trend across the partnership and wider sector. However, the Council expects that Registered Providers will monitor and manage the impact of this, as inevitably the number of housing applicants who do not pass affordability checks is likely to increase.

- 2.5 Whilst the current Homes England Affordable Homes Programme has recently re-introduced social rent within the grant programme, and this remains the Council's preferred rent for social housing, it is yet to be understood the extent to which the government will increase the ratio of grant funding to build costs for future new build development programmes, and whether this is at a level that would allow schemes to be financially viable. However, the Council will be actively encouraging RP partners to take advantage of the new funding flexibilities and provide new homes let on social rents at every possible opportunity.
- 2.6 In relation to allocation policies, local authorities can determine who can or cannot apply for rehousing and encourage greater mobility within the social housing sector. Lancaster City Council keeps its Allocation Policy and Choice Based Lettings system under regular review, and has developed a prioritisation system which takes account of housing need and local connection. Furthermore, the Council expects all Registered Providers to make a significant contribution to meeting local housing need and provide a minimum of 50% nomination rights to the Council for new and existing social housing and have a published Allocation Scheme for direct lettings. The council recently reviewed the suitability of Registered Providers by adopting a new Registered Provider Framework and performance on nominations was scrutinised as part of this process. For the better management of social housing stock in the district, Local Lettings Plans have been implemented for certain property types to promote sustainable neighbourhoods and achieve the right mix of tenants. Where Local Lettings Plans apply, these need to be reviewed periodically by the council and Registered Providers particularly when any changes to allocation policies applies.
- 2.7 Finally, in relation the homelessness duties being discharged through the offer of a private sector tenancy, the Council has established an Accommodation Finding Service with Calico Housing Group, a partner RP who already manage a number of short-term supported housing projects in Lancaster District for homeless households. The Accommodation Finding Service has been set up to strengthen existing links with private sector landlords, and to provide accommodation and support for homeless households that the Council have a duty to rehouse, and are either homeless or at risk of homelessness. In recent months, the service has expanded through a new Landlord Liaison officer post to provide more direct support to private sector landlords, to work through and resolve any potential tenancy issues.

### **3.0 Review of the Tenancy Policy**

- 3.1 Lancaster City Council has refreshed its existing Tenancy Policy which was last formally reviewed in 2019, and sets out its purpose, objectives and scope, the types of tenancies that Lancaster City Council utilise in the provision of social housing, its policies around tenancy sustainment (detailing the support and interventions provided to prevent evictions), tackling tenancy

fraud, succession rights, assignments and mutual exchanges. The new Tenancy Policy will ensure compliance with regulatory requirements through the new Tenancy Standard (2024) from the Regulator of Social Housing. One marked change has been more frequent use of placing homeless households in council housing under a Part VII homelessness duty (granting a non-secure tenancy to provide interim accommodation). This is already referenced above in paragraph 2.3 for the council's designated accommodation for rough sleepers, but now extends to the council's general needs accommodation where the council has found itself having to use its own accommodation to fulfil its temporary accommodation duties. This was initially necessary as a result of the Covid 19 pandemic whereby all rough sleepers needed to be brought indoors through the "everyone in" campaign. Due to continued increases in homelessness presentation and the need to place households in temporary accommodation, this practice is likely to continue for some time. Therefore, the refreshed Tenancy Policy now sets out the circumstances where non-secure tenancies will be used.

#### **4.0 Compliance with statutory requirements**

- 4.1 Local authorities are required to consult all partner Registered Providers prior to adopting a Tenancy Strategy. This was undertaken prior to the implementation of the first Tenancy Strategy in 2013.
- 4.2 The Localism Act 2011 further provides, at Section s.151(1), that before making a modification to its Tenancy Strategy reflecting a major change of policy, it must send a copy of the draft strategy, or proposed modification, to every private registered provider of social housing for its district and give the private registered provider(s) a reasonable opportunity to comment on those proposals.
- 4.3 The proposed changes, in respect of both the Tenancy Strategy and Tenancy Policy, are minor in nature. The formal consultation requirements imposed in relation to the Tenancy Strategy do not apply. However, the draft Tenancy Strategy was published on the Council's website on 1<sup>st</sup> February 2024 and comments were invited. No responses were received from RP partners or anyone else. The draft Strategy was also discussed at Registered Provider Strategic Partnership Meetings which the council chairs.
- 4.4 In accordance with s.151(3) of the Localism Act 2011, in modifying its Tenancy Strategy the council has had due regard to its current (i) allocation scheme under section 166A of the Housing Act 1996 (ii) homelessness strategy under section 1 of the Homelessness Act 2002.

#### **5.0 Options and Options Analysis (including risk assessment)**

	<b>Option 1:</b> Approve the Tenancy Strategy and Tenancy Policy	<b>Option 2:</b> Do not approve the Tenancy Strategy and Policy
Advantages	It will maintain legal compliance with the Localism Act.	None
Disadvantages	None – there are no fundamental alterations or changes in policy required	The existing Strategy and Policy will be out of date.
Risks	None – as above	Risk of challenge particularly with regulatory requirements and the

		upcoming inspection by the Regulator of Social Housing.
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**6. Officer Preferred Option (and comments)**

6.1 The officer preferred option is to approve and adopt both the Tenancy Strategy and Tenancy Policy, which is a true and up to date reflection of current policy and practices across the social housing sector in Lancaster district.

**7.0 Conclusion**

7.1 As previously stated, the amendments to the Tenancy Strategy and Policy are minor in nature but will ensure continuing legal compliance with legislative and regulatory requirements.

<p><b>RELATIONSHIP TO POLICY FRAMEWORK</b></p> <p>Homes Strategy 2020-25 – The Tenancy Strategy and Policy underpins the need to make the best use of existing housing stock, fundamentally the current social housing supply as well as increasing social and affordable housing provision. The updated Tenancy Policy ensures compliance with the Tenancy Standard (2024) from the Regulator of Social Housing.</p>
<p><b>CONCLUSION OF IMPACT ASSESSMENT (including Health &amp; Safety, Equality &amp; Diversity, Human Rights, Community Safety, HR, Sustainability and Rural Proofing)</b></p> <p>The refresh of the Tenancy Strategy and Tenancy Policy are not expected to have any adverse impact.</p>
<p><b>LEGAL IMPLICATIONS</b></p> <p>Legal Services have comprehensively reviewed various drafts of the Tenancy Policy and Tenancy Strategy in accordance with current law, legislative and regulatory guidance, and practice, and are satisfied that the required changes have been made in these final versions.</p>
<p><b>FINANCIAL IMPLICATIONS</b></p> <p>There are no financial implications to note.</p>
<p><b>OTHER RESOURCE IMPLICATIONS</b></p> <p><b>Human Resources:</b> HR do not need to be consulted.</p> <p><b>Information Services:</b> IS do not need to be consulted.</p> <p><b>Property:</b> Property do no need to be consulted</p> <p><b>Open Spaces:</b></p>

Public Realm do not need to be consulted.

**SECTION 151 OFFICER'S COMMENTS**

The Section 151 Officer has been consulted and has no further comments.

**MONITORING OFFICER'S COMMENTS**

The Monitoring Officer has been consulted and has no further comments.

(1) Lancaster District Tenancy Strategy and  
(2) Tenancy Policy

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