

DERBY HOMES TENANCY POLICY

Report of the Director of Housing and Customer Service

1. SUMMARY

This report details the requirement of Derby Homes to develop and publish a Tenancy Strategy.

2. RECOMMENDATION

The Board is asked to approve the formulation of a Tenancy Policy which reflects the Council's proposed policy and discuss and consider the option of introducing flexible tenancies for new tenancies in Derby Homes' properties.

3. MATTER FOR CONSIDERATION

- 3.1 The Localism Act 2011 provides the statutory basis for an extensive programme of reforms – reforms which will impact dramatically on the way social housing is resourced, allocated and managed. Derby's strategic approach to the utilisation of these reforms is set out in the Tenancy Strategy, the formulation of which is a legal requirement of the Act.
- 3.2 Derby City Council is in the process of agreeing the Tenancy Strategy and the revised proposals will be presented to Cabinet in August 2012.
- 3.3 It is proposed that Derby Homes will publish a Tenancy Policy based on the Tenancy Strategy shortly following approval by Cabinet.
- 3.4 It is anticipated that Derby City Council will not implement fixed term tenancies and will continue with the current practise of issuing new tenants with secure (lifetime) tenancies (following an introductory period).
- 3.5 The Strategy sets out the basis for action on Council owned stock and gives a steer to other registered housing providers as to the position of the Council on the key issues.
- 3.6 Derby Homes Ltd is a registered housing provider and in respect of stock owned by Derby Homes has the freedoms within the Localism Act 2011 to consider its position in relation to security of tenure.
- 3.7 At the present time Derby Homes owned properties are initially let on assured short hold tenancies, which transfer to assured after 12 months. An assured tenancy offers very similar security to that of a secure (lifetime) tenancy. Derby Homes has the opportunity within the Localism Act to consider, if, in respect of Derby Homes owned properties they wish to consider the introduction of fixed term tenancies.

- 3.8 The Council has considered a range of factors in making their proposals and it is prudent for Derby Homes to do likewise.
- 3.9 One of Derby Homes strategic aims is Decent Homes and Successful Neighbourhoods. To ensure the Decent Homes Standard is maintained and that the investment decisions made help create sustainable communities and improve the popularity of council estates, a mixed balance of tenants on estates is essential to this and if tenants achieving certain income levels are asked to move on this may result in housing estates being occupied only or predominantly by benefit-dependent or low income households. Fixed term tenancies may also be a disincentive to self-improvement and discourage aspiration to access employment. The threat of a fixed term tenancy not being renewed could provide an additional incentive for tenants to exercise their right to buy and this could result in an increased loss of social housing available.
- 3.10 There are also positive reasons for introducing fixed term tenancies and these include being able to deal with issues of under-occupation and where properties have been adapted for specific needs which are no longer required.
- 3.11 Administratively there would not initially be a burden in terms of managing fixed term tenancies for Derby Homes owned properties due to the low numbers involved but this may increase over time should new build be done within the ALMO.

4. FINANCIAL AND BUSINESS PLAN IMPLICATIONS

One of Derby Homes' strategic aims is Decent Homes and Successful Neighbourhoods. To ensure the Decent Homes Standard is maintained and that the investment decisions made help create sustainable communities and improve the popularity of council estates, the Localism Act 2011 provides Councils and other housing providers with new freedoms to better achieve their strategic goals.

5. LEGAL AND CONFIDENTIALITY IMPLICATIONS

The Localism Act 2011 provides 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.

The areas listed below have no implications directly arising from this report:

Consultation

Council

Personnel

Environmental

Equalities Impact Assessment

Health & Safety

Risk

Policy Review

If Board members or others would like to discuss this report ahead of the meeting please contact the author.

Author: Maria Murphy. Director of Housing & Customer Service maria.murphy@derbyhomes.org Tel 01332 888522

Background Information: None.

Supporting Information: None.