

<b>Report title</b>	Black Country Tenancy Strategy
<b>Decision designation</b>	AMBER
<b>Cabinet member with lead responsibility</b>	Councillor Jacqueline Sweetman City Assets and Housing
<b>Key decision</b>	Yes
<b>In forward plan</b>	Yes
<b>Wards affected</b>	All Wards
<b>Accountable Director</b>	Ross Cook, City Environment
<b>Originating service</b>	City Housing
<b>Accountable employee</b>	Michelle Garbett Housing Policy Officer Tel 01902 552954 Email michelle.garbett@wolverhampton.gov.uk
<b>Report to be/has been considered by</b>	City Environment Leadership Team 16 February 2021

**Recommendation for decision:**

The Cabinet is recommended to:

1. Approve the adoption of the Black Country Tenancy Strategy.

## **1.0 Purpose**

- 1.1 Approval is sought for the adoption of the revised Black Country Tenancy Strategy.
- 1.2 In conjunction with the neighbouring Black Country local authorities, the Council has participated in a review of the Black Country Tenancy Strategy 2013 to ensure it continues to be fit for purpose.
- 1.3 The Black Country Tenancy Strategy provides guidance to Registered Social Landlords and as such, updating the Strategy allows for a consistent approach to the use of Fixed Term Tenancies and Affordable Rents to be applied across the sub-region.

## **2.0 Background**

- 2.1 The Localism Act 2011 introduced flexible secure tenancies, referred to as Fixed Term Tenancies, which could be used by Registered Social Housing Providers. These are tenancies which can be issued for a fixed period of time, typically five years and based on a set of fixed criteria, can either be renewed or terminated at the close of the term. These are different to secure tenancies which typically mean a tenant has the right to live in the property for the whole of their life.
- 2.2 The Localism Act 2011 also introduced Affordable Rents for social housing tenants. Affordable Rents are set at up to 80% of a local private rent (in accordance with set regulations).
- 2.3 Section 150(1) of the Localism Act 2011 states that a local authority must publish a Tenancy Strategy, which sets out the considerations that Registered Social Housing Providers in their area should 'have regard' for in their use Fixed Term Tenancies and Affordable Rents.
- 2.4 The production of a Tenancy Strategy remains a statutory responsibility, which the City of Wolverhampton Council has fulfilled in its joint production of the Black Country Tenancy Strategy, along with our Black Country partners.
- 2.5 In 2012 the Council worked in partnership with Dudley, Walsall and Sandwell Councils to produce the Black Country Tenancy Strategy, which sets out how Registered Social Housing Providers operating across the Black Country Region will be expected to administer both Fixed Term Tenancies and Affordable Rents. The development of regional strategies was encouraged by the government to provide consistency across a region.

## **3.0 The Review of the Black Country Tenancy Strategy**

- 3.1 The statutory obligation to have a Tenancy Strategy is still in place and in partnership with the other Black Country local authorities the Council has recently concluded a review of the 2013 Black Country Tenancy Strategy.
- 3.2 The review included the opportunity for all the Registered Social Housing Providers operating in Wolverhampton, and who are signed up to the Nominations Agreement, to

become involved and has also been shared to officers of the Council who engage with the housing association sector. In addition, Dudley Council undertook a specific consultation exercise with housing providers operating across the wider Black Country Region. During the consultation exercise many Registered Social Housing Providers reported that they intended to reduce or discontinue with Fixed Term Tenancies largely on account of the administrative burden involved.

#### **4.0 Revisions to the Black Country Tenancy Strategy**

4.1 A revised strategy has been developed, which is attached at Appendix 1 of this report.

4.2 The following changes have been made:

##### **A. Fixed Term Tenancies**

- Extending the notice period provided to a tenant that a review of their fixed term tenancy will be conducted by their landlord; from a minimum of six months to a minimum of nine months prior to the end date of their fixed term tenancy.
- Tenants to be notified of the outcome of the review of their fixed term tenancy, at least six months prior to the end date of their fixed term tenancy, and increase from three months.
- To remove the current requirement for the participating Local Authorities to monitor Registered Social Housing Providers on their use of the strategy, as this has proved to be impracticable and difficult to administer. The City of Wolverhampton will develop its own local monitoring arrangements to be agreed with Registered Social Housing Providers.
- To add greater clarity on the reasons a fixed term tenancy may not be renewed and as such the tenancy ended. The reasons must relate to the housing needs of the household, for example:
  - The property is adapted and no-one residing at the property requires the adaptations.
  - The financial circumstances of the tenant have changed to such an extent that other housing options would be more appropriate.
  - The tenant and/or their advocate do not engage in the Fixed Term Tenancy review process.
  - The tenant comes into legal ownership of another home or property.

##### **B. Affordable Rents**

- Where new properties are built, without funding from the Affordable Housing Grant programme, the expectation is that a proportion of these will be social rented housing, which is lower than an Affordable Rent.

- Tenants who cannot afford Affordable Rented homes, should be supported to access social rented housing. This will enable tenants to access an appropriate tenancy, sustain the tenancy and not exclude the household from accessing housing provided by a Registered Social Housing Providers.
- Converting a property from a social rent to an affordable rent is not supported. To justify this conversion the Registered Social Housing Providers would need to demonstrate that they are providing additional social homes elsewhere in the region.

4.3 These changes are intended to provide a better period of time for tenants to secure a new home should it be recommended that their fixed term tenancy comes to an end, greater transparency as to why this could happen, as well as maintain a proportion of the most affordable properties; social rent, across the sub-region's social housing stock.

4.4 The strategy will come into effect from the 1 April 2021 across the Black Country.

## **5.0 Evaluation of alternative options**

5.1 Option one would be to make no change to the existing strategy. Where Registered Providers are using fixed term tenancies, this would result in the continuation of short notice periods for those tenants facing an end to their tenancy. Where they continue to be eligible for social housing, this will make it difficult for them to secure another home that meets their needs in the short timescale given.

5.2 If there is an increase in homes for affordable rent with no encouragement of the provision of homes for social rent, it could add to the depletion of social rented homes, which is the most affordable tenure supporting many vulnerable households to maintain a tenancy and safe and healthy place to live.

## **6.0 Reasons for decision**

6.1 The statutory obligation to have a Tenancy Strategy is still in place. It is therefore recommended to ensure the strategy in place is reviewed, amended and remains fit for purpose.

6.2 The city continues to experience a reduction in the number of social rented homes. The city loses around 300 properties per year through the Right to Buy. The Strategy reflects the need to maximise the replacement of these homes. The aim of which is to ensure a supply of the most affordable homes continue to be available to the households in the greatest housing need.

6.3 The strategy also provides greater notice to tenants of the intention to review and possibly end their fixed term tenancy. In extending the notice periods, the strategy aims to provide transparency, time to prepare and clear reasons for ending.

## **7.0 Financial implications**

7.1 This report devolves the requirements on how and when to monitor Registered Social Housing Providers in their cooperation with this strategy from a sub-regional to a local

authority level. This will be picked up within existing resources of the Housing Strategy and Policy team. There are no financial implications arising from the report as it relates to properties owned and managed by Registered Social Housing Providers.

[JM/11022021/R]

## **8.0 Legal implications**

8.1 Section 150(1) of the Localism Act states that all local authorities must publish a strategy that sets out the matters that registered providers of social housing operating in their district must '*have regard*' when formulating policies relating to Fixed Term Tenancies and Affordable Rents. The adoption of the Strategy will ensure that the Council is not open to any form of legal challenge and maintains its statutory obligations in this context.

The strategy will, at the latest, come into affective from 1 April 2021.

[DC/11022021/N]

## **9.0 Equalities implications**

9.1 An Equality Impact Assessment has been completed and no adverse impacts were found on any of the protected characteristics.

## **10.0 All other implications**

10.1 A decent affordable home is a central component from which to build a stable life and to participate more readily in all forms of daily life. The health benefits of living in a decent sustainable home are well documented in improving a wide range of both physical and mental health determinants.

## **11.0 Schedule of background papers**

11.1 [Adoption of a Wolverhampton Tenancy Strategy and Overarching Black Country Tenancy Strategy](#), Cabinet, 3 January 2013

## **12.0 Appendices**

12.1 Appendix 1 – The Black Country Tenancy Strategy