



<u>Committee and Date</u>	<u>Item</u>
Cabinet – 3 rd July 2019	TBC

Tenancy Agreement Consultation Report

Responsible Officer: Mark Barrow

e-mail: Mark.Barrow@shropshire.gov.uk

Tel: 01743 258919

1. Summary

- 1.1. Shropshire Towns & Rural Housing are the Council's Arms-Length Management Organisation. They are responsible for the management of the Council's Housing stock in Oswestry and Bridgnorth which equates to approximately 4100 properties.
- 1.2. This report presents the outcomes of a consultation carried out by Shropshire Towns & Rural Housing on behalf of Shropshire Council with its tenants, relating to a proposal to vary their tenancy agreements by introducing an updated and amended version.

2. Recommendations

- 2.1. That Cabinet approves the draft tenancy agreement.
- 2.2. That Cabinet authorises Shropshire Towns & Rural Housing, in compliance with Section 103 of the Housing Act 1985, to issue on each tenant, a Preliminary Notice of Intention followed by a Notice of Variation to formally vary the Shropshire Council tenancy agreements, subject to the following amendment which will be highlighted in the notice sent to all tenants.
 - i) Section 14 of the agreement. Where it refers to the Data Protection Act 1998 to be updated to take-into-account the introduction of the General Data Protection Regulations (GDPR) in 2018.

REPORT

3. Risk Assessment and Opportunities Appraisal

- 3.1. Current tenancy agreements are out of date. Presently, the Council operate two different types (Secure & Fixed term) which can cause confusion. A new single agreement eliminates possibility of the wrong agreement being used for the wrong types of tenancy.
- 3.2. The new tenancy agreement will have updated clauses which will assist in dealing with tenancy management issues not covered by the old agreements. Failure to update the agreement will mean they become increasingly unfit for purpose.

4. Financial Implications

- 4.1. There was a cost to the Housing Revenue Account of £6,854 for the procurement of a company to undertake the consultation.
- 4.2. The new proposed tenancy agreement includes any day tenancy start dates (as opposed to all tenancies starting on a Monday). This will allow collection of additional rent for 'parts' of a week that currently cannot be utilised due to start date having to be following Monday even if client moves in on Wednesday before.
- 4.3. Any day start date will also reduce void periods and associated loss of income during void periods.

5. Background

- 5.1. It is necessary to review and refresh tenancy agreements on a regular basis to ensure they remain both legal and relevant to the tenancies being managed.
- 5.2. The present Shropshire Council tenancy agreement was introduced following a similar consultation in 2011. A flexible (fixed term) tenancy agreement was also introduced by Shropshire council in 2013.
- 5.3. Since their introduction, changes in legislation including the Localism Act 2011 have meant the tenancy agreements have become outdated and having two different tenancy agreements in use is not easy to understand by tenants, or consistent with good practice in the housing sector.
- 5.4. Shropshire Towns & Rural Housing instructed the services of HQN (housing consultants), to carry out a review of the current tenancy agreements and to draft the new tenancy agreement. The new tenancy agreement combines both the Secure and Flexible (fixed term) tenancy agreement currently in use, as well as updating sections affected by changes in legislation and best practice in the housing management sector.
- 5.5. The new agreement has been reviewed by Shropshire Council's Legal Department to ensure that it meets the Council's requirements, legislative necessities and that it is appropriate for use when managing tenancies and enforcement.
- 5.6. The new agreement is easier to understand, can be used for all types of tenure (secure, flexible or fixed term) and used for all existing tenants without effecting their current tenure type. It also allows flexibility for the appropriate tenancy type to be granted to new and transferring tenants.
- 5.7. Before the tenancy agreements can be varied, the Council is required under Section 103 of the Housing Act 1985 to carry out consultation and to consider the tenant responses.
- 5.8. Shropshire Towns & Rural Housing carried out a consultation with tenants between 26th November 2018 and 2nd January 2019. All Shropshire Council tenants were provided with a copy of the proposed tenancy agreement, a list of the proposed variations and a letter explaining the consultation. Tenants were provided with an opportunity to comment through a number of methods including a reply slip and pre-paid return envelope, social media, website and telephone options.

- 5.9. A List of the proposed variations and the reasons and effects of the change was included in the consultation documents highlighting 12 proposed variations. A copy of the consultation documents is provided at Appendix 1.
- 5.10. A summary of the responses is provided in Appendix 2 to this report. There are no material changes required to the agreement as a result of the consultation.
- 5.11. A total of 4070 consultation letters were sent out to all tenants and the consultation was available 'online' during the consultation period. Tenants were able to respond by completing the reply slip, by e-mail, visiting the website or by telephone.
- 5.12. Responses from all 1470 consultation letters have been received.
- 5.13. 84 tenants returned the reply slip and provided a response that related to the tenancy agreement consultation or Shropshire Towns & Rural Housing. Of those, 39 made comments about various sections in the new agreement and 45 provided general positive comments about the agreement and Shropshire Towns & Rural Housing.
- 5.14. 117 tenants returned the reply slip and provided information about matters that did not relate to the tenancy agreement consultation. These included 'calls for service' requesting repairs to their homes and complaints about other residents behaviour. These requests have all been individually dealt with and responded to by Shropshire Towns & Rural Housing as part of their management function.
- 5.15. 39 responses relating to the clauses of the new tenancy agreement consultation have been scrutinised and details are provided in Appendix 2. Responses to individual tenants expressing concerns have been actioned and general points of concern posted on the Shropshire Towns & Rural Housing website to assist tenants in their understanding of the varied agreement.
- 5.16. 15 tenants commented about Section 20 relating to the retention of an amount of credit on a rent account equivalent to 4 weeks rent before a refund is issued as a requirement for a deposit. No Deposit is required from tenants, this section relates to refunds of credit balances on their accounts.
- 5.17. 3 tenants commented they did not wish to lose their Right to Buy their council property. This will not be affected by the variations.
- 5.18. 4 tenants commented about keeping dogs. There is no general restriction and this only relates to properties that share a communal entrance where fouling and nuisance is caused by tenants pets.
- 5.19. 6 tenants commented that dropped kerbs should be provided at their houses. These are not provided but tenants can apply to carry out the work themselves.
- 5.20. 1269 tenants returned a reply slip but made no comment.
- 5.21. The responses of the tenants have been given due consideration. There are no material changes required to the draft variation agreement required. Section 14 requires updating to reflect the introduction of the General Data Protection regulations in 2018.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Cabinet Member (Portfolio Holder)

Cllr Robert Macey, Portfolio Holder for Housing and Strategic Planning

Local Member

All

Appendices

Appendix 1 – Draft Tenancy Agreement

Appendix 2 – Consultation Documents for Proposed New Tenancy Agreement

Appendix 3 – Comments on Proposed New Tenancy agreement