



Committee and Date

Council

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Item

Public



Tenancy Agreement Amendments

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Synopsis

Following extensive tenant consultation, the revised tenancy agreement—endorsed by 94% of respondents—adopts a 52-week rent model, clarifies service charges, and updates tenant responsibilities, improving transparency, financial planning, and support for all tenants.

Executive Summary

- 2.1. This report presents the outcome of the statutory consultation on the revised Shropshire Council tenancy agreement. The changes support the administration's focus on financial recovery, transparency, improved services, strengthened engagement with residents, and commitment to ensuring housing meets the needs of all tenants as set out in the administrations A New Direction for Shropshire paper.
- 2.2. Over 3,700 tenants were consulted, with a 14% response rate, although please note the letter did state to tenants that if they chose not to respond this would be taken as a positive response; this is industry standard practice within housing. 94% of respondents supported the proposed changes, demonstrating strong tenant engagement and endorsement.
- 2.3. While the majority of respondents (94%) expressed support or no objection to the proposed move to a 52-week rent model, the consultation also highlighted important

concerns relating to budgeting habits and transition impacts. Many tenants — particularly older and disabled tenants — reported that they currently rely on the four rent-free weeks as a financial coping mechanism during periods of higher expenditure such as winter and the festive season. These concerns do not reflect opposition to the principle of the 52-week model, but rather anxiety about the process of change and the need for clear support during implementation. Targeted mitigation measures, including budgeting advice, direct support with Universal Credit and Housing Benefit changes, and tailored communication, will be provided to ensure no tenant is disadvantaged during the transition.

- 2.4. **52-Week Rent Model:** The agreement transitions from a 48-week to a 52-week rent charging model, reducing weekly rent payments and aligning with Universal Credit and Housing Benefit cycles. This change supports tenants' ability to budget more effectively and provides greater financial predictability.
- 2.5. **Clarity on Service Charges:** Service charge provisions have been clarified, with annual reviews and transparent breakdowns, ensuring tenants understand their obligations and entitlements.
- 2.6. **Updated Tenant Responsibilities:** Amendments reflect feedback from tenants, particularly regarding repairs and maintenance, to ensure fairness and accommodate the needs of older and disabled residents.
- 2.7. **Equality, Social Inclusion & Health Impact:** An Equality, Social Inclusion and Health Impact Assessment (ESHIA) was conducted. The process identified no significant negative impacts and highlighted positive outcomes for low-income and vulnerable households, supporting the Council's commitment to equity and wellbeing.
- 2.8. **Implementation & Support:** If agreed by Council the new agreement will be implemented from April 2026, following statutory notice of 28 days. Targeted support will be provided to tenants requiring assistance with budgeting or benefit changes, and clear communication will ensure a smooth transition.
- 2.9. **Financial & Operational Benefits:** The changes will streamline internal processes, reduce administrative costs, and strengthen the Housing Revenue Account, supporting the Council's long-term sustainability.
- 2.10. In summary, the revised tenancy agreement delivers on the administration's priority themes as outlined in A New Direction for Shropshire, including its focus on financial recovery, service reform, and strengthened community engagement. Approval is sought to proceed with implementation as outlined.

Recommendations

That Council:

- 3.1. Approve the adoption of the revised tenancy agreement, reflecting updated regulatory requirements and incorporating amendments made to ensure alignment with current industry standards, particularly within Section 3.4 (Repairs, Maintenance and Alterations).

- 3.2. Approve the transition from a 48-week to a 52-week rent charging model, aligning rent payments with Universal Credit and Housing Benefit cycles to improve tenant budgeting and financial resilience.
- 3.3. Approve the updated service charge schedule and annual review process, ensuring transparency and clarity for tenants regarding their obligations and entitlements.
- 3.4. Approve the proposed implementation timeline, with the new tenancy agreement and rent model to take effect from April 2026.
- 3.5. Delegate authority to the Service Director – Communities and Customer, in consultation with the Portfolio Holder for Housing & Leisure, to make any minor amendments to the proposed tenancy agreement as necessary or in response to further legal advice prior to implementation.

Report

Risk Assessment and Opportunities Appraisal

- 4.1. The implementation of the revised tenancy agreement and the transition to a 52-week rent model presents both risks and opportunities for Shropshire Council, tenants, and stakeholders. The Council has an Opportunity Risk Management Strategy and ten strategic risks that are reviewed regularly. The shift to the new administration’s A New Direction for Shropshire priorities requires these risks to be reconsidered considering the Council’s updated strategic direction, including the focus on financial recovery, service reform, and strengthened community engagement. This refreshed strategic context will inform future risk assessments, ensuring they reflect the Council’s new priorities and the operational changes required to deliver them.
- 4.2. Opportunities include improved tenant budgeting and financial predictability, streamlined internal processes, enhanced transparency in service charges, and strengthened legal and regulatory compliance. These changes support the Council’s strategic objectives and contribute to a fairer, more robust housing framework.
- 4.3. Risks primarily relate to tenant confusion or resistance to change, potential arrears management challenges during the transition, and the risk of legal or political challenge. There are also operational risks associated with implementation timelines and the need for staff training. Each risk has been assessed, and appropriate mitigation measures have been identified to ensure a smooth transition and to maximise the benefits of the new agreement.

4.4. Risk table

<i>Risk</i>	<i>Mitigation</i>
Tenant confusion or resistance	Budgeting support worked examples for weekly/monthly payments and supporting tenants with Universal Credit and Housing benefit with recalculations. Emphasis will be placed on avoiding detriment during the transition period.

Arrears management transition	Early review of arrears rules, updated income collection procedures, staff training.
Timeline slippage	Detailed project plan with milestones, regular monitoring, and clear accountability.
Legal challenge	Legal advice sought throughout; process compliant with Housing Act 1985 and best practice.
Impact on vulnerable tenants	Proactive identification, targeted support, and reasonable adjustments as required.
IT and process changes	Advance planning, system testing, and staff training prior to implementation.
Service charge confusion	Transparent breakdowns, annual reviews, and clear communication in all correspondence.

Financial Implications

5.1. Shropshire Council continues to manage unprecedented financial demands, and a financial emergency was declared by Cabinet on 10 September 2025. The overall financial position of the Council is set out in the monitoring position presented to Cabinet monthly. Significant management action has been instigated at all levels of the Council reducing spend to ensure the Council's financial survival. While all reports to Members provide the financial implications of decisions being taken, this may change as officers and/or Portfolio Holders review the overall financial situation and make decisions aligned to financial survivability. All non-essential spend will be stopped and all essential spend challenged.

These actions may involve (this is not exhaustive):

- scaling down initiatives,
- changing the scope of activities,
- delaying implementation of agreed plans, or
- extending delivery timescales.

5.2. Moving to a 52-week rent model will eliminate manual processing during rent-free weeks, resulting in greater efficiency for the Income and Finance teams. While some tenants expressed concern about losing the flexibility of rent-free weeks, these concerns relate to budgeting patterns rather than affordability. The 52-week model reduces weekly rent amounts and maintains the same annual cost, supporting long-term financial resilience.

5.3 Tenants will benefit from lower weekly payments, with no increase in total annual rent. For example, under the new model, weekly rent reduces from £135.00 (48-week model) to £124.61 (52-week model), saving tenants £10.39 per week.

5.4 Service charges will be reviewed annually and calculated based on actual costs, improving transparency and financial planning for both tenants and the Council.

5.5 The changes strengthen the Housing Revenue Account (HRA) by improving rent collection processes, reducing administrative costs, and ensuring legal compliance.

- 5.6 Targeted support will be provided for tenants who may need assistance with budgeting or adapting to the new payment schedule, with potentially minor costs for additional advice and support services.
- 5.7 The overall financial impact is neutral, with the revised agreement designed to maintain income levels while improving operational efficiency and tenant experience.

Climate Change Appraisal

- 6.1. A review of the proposed changes to the tenancy agreement and rent model indicates that the overall impact on climate change objectives is expected to be neutral. The following appraisal addresses each required area:
- 6.2. **Energy and Fuel Consumption:** No direct effect is anticipated. The revised tenancy agreement and rent model do not alter the Council's or tenants' energy or fuel usage patterns, nor do they introduce new requirements or incentives related to energy efficiency.
- 6.3. **Renewable Energy Generation:** No effect. The proposals do not include measures to increase or decrease renewable energy generation within the Council's housing stock or operations.
- 6.4. **Carbon Offsetting or Mitigation:** No effect. There are no new carbon offsetting or mitigation initiatives associated with these changes. The operational adjustments are administrative and do not impact the Council's carbon footprint.
- 6.5. **Climate Change Adaptation:** No effect. The changes do not introduce new adaptation measures or alter existing property standards related to climate resilience (e.g., flood risk, overheating, or insulation).
- 6.6. While the implementation of the revised tenancy agreement and 52-week rent model is not expected to have any direct or indirect impact on the Council's climate change objectives, it is important to note that these changes can indirectly support vulnerable tenants. By making rent payments more predictable and easier to budget—through alignment with benefit cycles and reduced weekly payment amounts—the new model can help tenants better manage their household finances. This improved financial stability may reduce the risk of fuel poverty, as tenants are better able to plan for and meet essential costs such as energy bills. This supports the Council's wider commitment to social inclusion and the wellbeing of low-income and vulnerable households.

Background

- 7.1. The development of the revised tenancy agreement has been undertaken in the context of the new administration's A New Direction for Shropshire strategic priorities. This includes a focus on financial recovery, improved transparency, service reform, and strengthened engagement with residents. These priorities shape the Council's approach to housing management, ensuring that policy changes support long-term sustainability and align with updated expectations for service delivery, accountability, and community partnership.
- 7.2. The revised tenancy agreement incorporates a wide range of amendments designed to modernise the document, ensure legal compliance, strengthen tenant and landlord

responsibilities, and address issues raised during tenant consultation. A full list of variations is provided in Appendix 5.

- The contents page and agreement structure have been reorganised to improve readability and ensure tenants can easily find and understand relevant terms. This supports transparency and improves accessibility of key information.
- Outdated references to “flexible secure tenancies”, which are no longer offered, have been removed throughout the agreement.
- New definitions have been added (e.g., the definition of “the home”, service of notices), ensuring clarity and legal compliance.
- Sections relating to rent and other payments have been rewritten to provide clearer explanations of rent, service charges and ancillary charges. The updated table now separates “total weekly rent” and “total weekly charge”, offering clearer breakdowns for tenants.
- Terms relating to rent, service charges and future changes have been rationalised to reflect current legislation and ensure tenants understand their financial obligations.
- A detailed service charge schedule has been added to increase transparency regarding any charges that may apply to specific schemes or properties.
- New terms have been added to strengthen clarity around the right to occupy, security of tenure, and succession, ensuring the agreement aligns with current housing legislation.
- Terms relating to claiming compensation for tenant improvements at the end of the tenancy have been removed to avoid creating unintended liabilities for the Council; tenants still retain rights under primary legislation.
- Tenants can no longer request to use their own contractor for repairs, ensuring repairs are delivered consistently, safely and cost-effectively through approved contractors.
- A substantially revised section now sets out clear responsibilities around repairs, maintenance and alterations, including later amendments to remove outdated or unreasonable expectations such as changing tap washers.
- New requirements around reporting repairs and damage ensure issues are reported promptly, reducing risk, cost and further deterioration.
- A strengthened Anti-Social Behaviour (ASB) section now explicitly covers violence, threats of violence, drug storage and drug dealing, reflecting the Council’s zero-tolerance approach and providing a clear basis for enforcement action.
- Updated terms on pets and animals, shared areas, refuse and dangerous materials, and parking offer clearer expectations for safe and respectful use of homes and communal areas.
- Language around ending a tenancy has been clarified, including expectations around removals, cleanliness, and tenant liabilities.
- A new section outlines the complaints process, ensuring tenants understand how to raise concerns and retain the right to escalate matters to the Housing Ombudsman.

7.3. The statutory consultation engaged 3,771 tenants and generated detailed responses, particularly from older tenants, disabled residents, and households receiving Housing Benefit or Universal Credit. While headline feedback shows strong overall support (94% of respondents either supported or did not object to the proposed 52-week model), the qualitative responses illustrate a more nuanced picture.

Many respondents reported long-standing budgeting routines built around the current rent-free weeks, which they use to manage winter bills, Christmas costs, or occasional arrears. Concerns centred not on the principle of the proposal, but on the emotional and practical challenge of changing established habits. The clarity of Universal Credit and Housing Benefit alignment, timing of payment cycles, and risk of administrative errors were highlighted as areas where reassurance is needed.

These concerns do not represent disproportionate impacts on protected groups under the Equality Act, but they do justify clear mitigation actions. In response, the Council will ensure:

- Direct support for tenants needing help with Universal Credit /Housing Benefit adjustments
- Clear worked examples of weekly and monthly impacts
- Advance communication emphasising that annual rent is unchanged
- Budgeting support targeted at vulnerable tenants
- Close monitoring of rent accounts during the transition

This approach allows the Council to address legitimate tenant concerns while progressing a model that improves long-term financial clarity and aligns with benefit cycles

7.4. An Equality, Social Inclusion and Health Impact Assessment was conducted to evaluate the impact of the proposed changes. The assessment identified no significant negative impacts and highlighted positive outcomes for vulnerable and low-income households, supporting the Council's commitment to equity and wellbeing.

7.5. The revised tenancy agreement introduces several significant changes:

- Transition to a 52-week rent charging model, reducing weekly payments and aligning with benefit cycles.
- Clarification and annual review of service charges, with transparent breakdowns for tenants.
- Updated tenant responsibilities, particularly regarding repairs and maintenance, reflecting feedback from consultation.
- Enhanced support for tenants requiring assistance with budgeting or adapting to new payment schedules.

7.7 Throughout the process, legal advice was sought to ensure compliance with the Housing Act 1985 and other relevant legislation. The consultation and proposed changes have been developed in accordance with statutory requirements and best practice guidance.

7.8 Subject to Council approval, the new tenancy agreement and associated changes will be implemented from April 2026, following the statutory notice period and comprehensive communication with tenants to ensure a smooth transition.

Additional Information

8.1. **Communication and Engagement:** All tenants will receive clear, timely communications regarding the changes, including explanatory materials, FAQs, and contact details for further support. STaR Housing will continue to offer drop-in sessions and dedicated support channels throughout the implementation period.

- 8.2. **Staff Training:** Income and Finance teams, as well as frontline housing staff, will receive enhanced training on the revised tenancy agreement, new rent model, and service charge procedures to ensure consistent and accurate advice is provided to tenants.
- 8.3. **Monitoring and Review:** The Council will monitor the impact of the changes through ongoing feedback, regular reviews, and engagement with tenant representatives. Adjustments will be made as necessary to address emerging issues and ensure the changes deliver intended benefits.
- 8.4. **Legal Compliance:** The process has been developed in accordance with statutory requirements, including the Housing Act 1985 and the Equality Act 2010. Legal advice has been sought throughout to ensure robust compliance and minimise risk.
- 8.5. **Support for Vulnerable Tenants:** Targeted support will be provided for tenants identified as requiring additional assistance, including help with budgeting, benefit changes, and adapting to new payment schedules. Reasonable adjustments will be made where necessary.
- 8.6. **Future Developments:** The Council will continue to review tenancy management practices and service charge arrangements in line with legislative changes, best practice, and tenant feedback, ensuring ongoing improvement and responsiveness to community needs.

Conclusions

- 9.1. The recommendations set out in this report support the new administration's priority themes outlined in A New Direction for Shropshire, particularly its focus on financial recovery, service reform, and strengthened engagement with residents. These priorities ensure that the revised tenancy agreement aligns with the Council's updated strategic direction and contributes to delivering fair, transparent, and community-focused housing services.
- 9.2. These reforms will improve financial resilience and budgeting for tenants, streamline internal processes, and ensure legal and regulatory compliance. The Equality, Social Inclusion and Health Impact Assessment confirms that the changes will have a positive impact on vulnerable and low-income households, with no significant negative effects identified. Risks associated with implementation have been carefully considered, with clear mitigation strategies in place, and opportunities for improved service delivery and operational efficiency have been identified.
- 9.3. Financial implications have been assessed, with the changes expected to be cost-neutral overall, while delivering operational savings and improved tenant experience. The climate change appraisal indicates no direct impact, and the Council remains committed to monitoring and reviewing the effects of these changes to ensure ongoing improvement.
- 9.4. In summary, the revised tenancy agreement aligns with the Council's strategic objectives, enhances transparency and fairness, and supports the long-term sustainability of housing services. Approval is sought to proceed with implementation as outlined, ensuring that tenants are fully supported throughout the transition and that the Council continues to deliver high-quality, equitable housing services for all residents.

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

- A New Direction – September 2025 – Council Report

Local Member: N/A

Appendices

1. **ESHIA Tenancy Agreement Changes**
2. **Appendix 1 – Tenant Questionnaire**
3. **Appendix 2 - Anonymised Consultation Responses summary**
4. **Appendix 3 – Proposed changes to Tenancy Agreement**
5. **Appendix 4 – Final proposed Tenancy Agreement**
6. **Appendix 5 – List of proposed variations**
7. **Appendix 6 - Tenancy Agreement Consultation Outcome**