

## **For publication**

# **Changes to Council Housing Tenancy Agreement - Feedback (HC000)**

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Meeting:	Cabinet
Date:	30 January 2018
Cabinet portfolio:	Cabinet Member for Homes and Customers
Report by:	Assistant Director - Housing

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## **For publication**

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### **1.0 Purpose of report**

- 1.1 The purpose of the report is to report to Members the outcome of the consultation exercise in respect of the changes to the Housing Tenancy Agreement relating to secure and introductory tenants.

### **2.0 Recommendations**

- 2.1 That Members' note the comments from tenants and approve the final changes to the Tenancy Agreement and Tenant Repairing Obligations.
- 2.2 That the Assistant Director – Housing be authorised to write to all tenants giving notice of the new Tenancy Agreement and Repairing Obligations coming into force from 1<sup>st</sup> April 2018 and to serve the necessary Notice of Variation.

### **3.0 Report details**

#### Background

- 3.1 On 12 September 2017 Cabinet authorised proposed changes to the Council's Tenancy Agreement and Tenant Repairing Obligations for all secure and introductory tenancies. The proposed changes included;
- Changes to the Council's Tenancy Agreement to ensure that it remains current and fit for purpose
  - Moving from collecting rent on a 48 week basis to a 52 week basis, in order to off-set some of the impacts of the way in which Universal Credit claims are administered for tenants claiming this benefit in the future and to ensure a regular rent payment culture
  - Reviewing tenant repairing obligations and repair response times e.g. tenants taking more responsibility for their own repairs and damage
  - Advising tenants that from 1<sup>st</sup> April 2018 the Council would no longer collect water rates on behalf of Severn Trent and that these payments would need to be made direct to Severn Trent.
- 3.2 The Assistant Director – Housing was authorised to consult with tenants regarding the proposals and to report back to Members following the consultation.

### Current Position

- 3.3 The consultation concluded on the 3<sup>rd</sup> December 2017 (after running for a period of 6 weeks), during which time each and every tenant received an information pack which included;
- An explanatory letter
  - The proposed new Tenancy Agreement
  - The current version of the Tenancy Agreement
  - A summary of the changes to the Tenancy Agreement
  - Proposed changes to the repair and maintenance obligations and response times
  - A questionnaire form (and freepost envelope) for tenants to let us know their views and comments on our proposals
- 3.4 In order to ensure that tenants were fully aware of the proposals and were given every opportunity to comment on them, an article appeared in the Autumn edition of 'Our Home', the tenant

newsletter and 23 roadshows were held across the Borough throughout October and November 2017, where tenants could speak to Housing representatives about the proposed changes.

- 3.5 The consultation was also promoted on the front page of the Council's website, Facebook and Twitter accounts, and has featured in the Derbyshire Times website and Facebook page.
- 3.6 In addition the full Information Pack was available online, including a link to complete the questionnaire online.
- 3.7 In total 1079 tenants (11%) have responded in writing to the proposals and approximately 243 people attended the roadshows.
- 3.8 A report setting out the response to the proposals is attached at **Appendix 1**.
- 3.9 The response to the proposals are perhaps to be as expected, with the most controversial changes being in respect of the removal of the 4 rent free weeks by implementing a 52 week rent year and the changes to the tenant repairing obligations, which require tenants to take more responsibility for minor DIY items and damage, in line with other local Housing Providers. **Appendix 2** sets out the specific comments raised by tenants in response to the questionnaire. **Appendix 3** sets out specific questions raised by individual tenants and the responses that have already been provided by Housing Services Officers.
- 3.10 As part of the consultation, tenants were asked a series of questions in relation to the areas below. These responses have been considered by the Assistant Director – Housing and the Cabinet Member for Homes and Customers and with regard to the repairing obligations, discussions have also taken place with the Assistant Director – Commercial Services and the Tenant / Member / Officer Repairs and Maintenance Working Group (who were initially involved in making the recommendations).
  - 3.10.1 Tenancy Agreement – Very few comments were received in relation to the proposed changes to the tenancy agreement, other than those relating to the 52 week rent year and the repairing obligations. After further consideration by Housing Services Officers, some very minor amendments have been

made to the document to for clarification purposes and to ensure the use of plain English. A copy of the revised proposed new Tenancy Agreement is attached at **Appendix 4** and the amended clauses are highlighted. It is therefore recommended that this document is approved.

3.10.2 Implementing a 52 week rent year – The majority of respondents (82%) understood why this proposal was being made and 62% agreed with the proposal. In addition a significant amount of comments were received. These have been considered and in the main they relate to respondents believing that they will pay 4 more weeks rent than they do currently, whereas in practice they will pay the same amount in total but over a 52 week period instead of 48. Concerns were also expressed about the loss of the free weeks as respondents liked these to budget for Christmas etc. Cabinet previously agreed to implement the 52 rent year on 24 January 2017 and as the majority of respondents supported this proposal it is recommended that the 52 week rent year continue to be implemented on 1 April 2018.

3.10.3 Review of Repairing Obligations – Whilst the majority of respondents (79.5%) understood why the proposals were being made to the repairing obligations, 64% had concerns. These primarily related to cost, disability or health related concerns and inability to undertake the work or lack of skills.

The Officer / Tenant / Member Working Group who made these initial proposals have carried out a review and made some changes, with the Council retaining responsibility for some repairs which were being proposed to become tenant responsibility and making some additional repairs rechargeable. They have also made some clarification to the notes accompanying these proposed changes. These changes will address some of the concerns raised during the consultation in relation to the impact on vulnerable tenants' i.e. minor DIY tasks only. A copy of the revised proposed Repairing Obligations and Response Times is attached at **Appendix 5** and the amended sections are highlighted.

In addition to these changes, a series of You Tube videos will be prepared to demonstrate how minor DIY repairs can

be undertaken by tenants and a series of DIY classes introduced to which tenants will be invited to attend, if they wish to do so. It is therefore recommended that these obligations are approved.

A review of these changes will take after 12 months in order to determine the impact of the changes and whether any further mitigating actions need to be put in place to assist vulnerable tenants.

- 3.10.4 Ceasing Collection of Water Rates – Whilst tenants were not asked to make comments on the Council ceasing to collect water rates on behalf of Severn Trent from 1 April 2018, some comments were received opposing this decision.

Members will recall that this decision is a contractual matter between the Council and Severn Trent, on the basis that Severn Trent no longer require the Council to carry out this function on their behalf and therefore this position should be noted.

### Next Steps

- 3.11 Subject to Members approving the new Tenancy Agreement and Repairing Obligations then the next stage will be to write to every tenant informing them that the new Agreement and Repairing Obligations have been approved and giving them 28 days' notice of it coming into force. This letter will be issued in mid- February 2018. A revised Tenant Handbook which covers the repairing obligations in detail will be reissued shortly after this date.

## **4.0 Human resources/people management implications**

- 4.1 In order to see the effect of the proposed changes to the Tenant Repairing Obligations and Response Timescales on the required £1.5million savings to the Responsive Repairs Budget over three years (2017/18 to 2019/20), the Assistant Director - Commercial Services has undertaken some analysis on the likely impact these changes will have on staffing requirements within the Building Service.
- 4.2 It is anticipated that the reduction in 'jobs' by changing the tenant repairing obligations (with more onus on the tenant undertaking

work themselves) and the timescales that work will be undertaken in, could reduce the staffing requirement for responsive repairs by up to a third (7 FTE's). This equates to a financial saving, in the region of, £700,000 of staffing costs.

- 4.3 It is further anticipated that these staff could usefully be re-deployed elsewhere in the Building Service, undertaking capital work to the Council Housing Stock or contractual work as part of the Commercial Services ambition to 'trade' externally. This was approved by Cabinet, as part of the Commercial Services 5 year growth Strategy on 25 July 2017.
- 4.4 The Housing Capital Programme will be presented to Cabinet on 20 February 2018 with an increased share and / cash value for Commercial Services from 2018/19 onwards which will contribute to the Commercial Services 5 year growth Strategy and the re-deployment of existing staff from responsive repair work to capital.

## **5.0 Financial implications**

- 5.1 The reduction of the Responsive Repairs Budget by £500,000 per annum in each of the following three financial years (2017 – 2020) will result in a saving of approximately £1.5million to the Housing Revenue Account.
- 5.2 This saving has already been built into the HRA Business Plan for 2017/18 onwards that was presented to Cabinet on 19 December 2017 and will provide some mitigation to the HRA against changes in national housing policy affecting its financial viability and will contribute to ensuring that the HRA Business Plan remains balanced, sustainable and self-financing in the longer term.
- 5.3 The costs associated with issuing the Notice of Variation, new Tenancy Agreement and Repairing Obligations to all tenants will be met by the Housing Revenue Account.

## **6.0 Risk management**

<b>Description of Risk</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Mitigating Action</b>	<b>Resultant Likelihood</b>	<b>Resultant Impact</b>
Increased rent arrears from Universal Credit	High	High	Removal of rent free weeks and move to a 52	Medium	Medium

recipients where UC paid over 52 weeks and rent collection on a 48 week basis			week rent year		
Tenants not carrying out minor repairs which are classed as tenant responsibility resulting in more complex repairs / disrepair	Medium	High	Only minor DIY repairs to become tenant obligation. DIY classes and You Tube videos will be made available to assist with tenant knowledge. As a result of tenants concerns during the consultation, some of the proposed repairs that the 'tenant' would be responsible for have been amended. A review of the changes to the repairing obligations will be made after 6 and then 12 months to ascertain the impact of the policy change. At this time consideration could be given to the introduction of a chargeable 'handyvan' service for minor repairs	Low	Medium
Increased customer dissatisfaction with routine repairs	Medium	Low	All repairs will be carried out by appointment with an appointment	Low	Low

being carried out over 30 days as opposed to 20 days			being offered and made at the time of reporting. 65% of respondents to the consultation said that this was acceptable to them		
Ambiguous clauses and obligations within the Tenancy Agreement resulting in cases not successful at court / legal stage	Medium	Medium	Changes to the tenancy agreement to make rights and responsibilities clearer will make any action against tenants more robust, easier to defend and lessen the risk to the council	Low	Low

## 7.0 Legal and data protection implications

7.1 The Tenancy Agreement is the formal legal contract between the Council, as Landlord and its tenants. It details the responsibilities and obligations of both the Council, as Landlord and all Council tenants (both secure and introductory). Used alongside relevant legislation, e.g. the Housing Act 1985, the Tenancy Agreement forms the basis upon which tenancies are managed and action taken to rectify breaches of the conditions for issues, such as non-payment of rent and anti-social behaviour.

## 8.0 Equalities Impact Assessment (EIA)

8.1 A full Equalities Impact Assessment has been carried out and is attached at **Appendix 6**.

## 9.0 Recommendations

9.1 That Members' note the comments from tenants and approve the final changes to the Tenancy Agreement and Tenant Repairing Obligations.



9.2 That the Assistant Director – Housing be authorised to write to all tenants giving notice of the new Tenancy Agreement coming into force and to serve the necessary Notice of Variation.

## 10.0 Reasons for recommendations

10.1 To make the necessary changes to the Housing Tenancy Agreement.

10.2 To contribute to the delivery of a balanced and sustainable Housing Revenue Account, which is self-financing in the longer term.

10.3 To support the Council’s Vision and Priorities within the Council Plan.

<b>Glossary of Terms</b> <i>(delete table if not relevant)</i>	
<i>e.g. HRA</i>	<i>Housing Revenue Account</i>

### Decision information

<b>Key decision number</b>	<b>778</b>
<b>Wards affected</b>	All
<b>Links to Council Plan priorities</b>	‘To improve the quality of life for local people’ and ‘To provide value for money services’

### Document information

<b>Report author</b>	<b>Contact number/email</b>
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<b>Background documents</b>	
<i>none</i>	
<b>Appendices to the report</b>	
Appendix 1	Consultation Questionnaire Report
Appendix 2	Tenants Comments in response to the Consultation
Appendix 3	Specific questions and responses raised

	through the consultation
Appendix 4	Revised Proposed Tenancy Agreement
Appendix 5	Revised Proposed Repairing Obligations
Appendix 6	Equalities Impact Assessment