

## **For publication**

### **Changes to Council Housing Tenancy Agreement ([HC000](#))**

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Meeting:	Cabinet
Date:	12 September 2017
Cabinet portfolio:	Cabinet Member for Homes and Customers
Report by:	Housing Manager

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#### **1.0 Purpose of report**

- 1.1 The purpose of the report is to seek approval from Members to make changes to the Housing Tenancy Agreement relating to secure and introductory tenants and consult with tenants on these proposed changes.

#### **2.0 Recommendations**

- 2.1 That Members approve the proposed changes to the Tenancy Agreement.
- 2.2 That the Housing Manager be authorised to consult with tenants regarding the proposed changes to the Tenancy Agreement and to serve the necessary preliminary notice of variation.
- 2.3 That a further report be brought to Members following the completion of the consultation process, no later than January 2018.

#### **3.0 Report details**

##### Background

- 3.1 In July 2016 a Steering Group was established to consider the implications for the Housing Revenue Account (HRA) Business Plan following national housing policy changes, including the reduction in rents for 4 years until April 2020 and to make recommendations as to how these implications can be mitigated. The Steering Group comprises of cross party elected members, officers and tenants.
- 3.2 In December 2016, they recommended to the Corporate Cabinet and Corporate Management Team a series of recommendations to mitigate the worsening financial position within the HRA which included;
- A £500,000 reduction in the responsive repairs budget in 2017/18 and each of the following two financial years, after which the budget will be increased by inflation (CPI)
  - A reduced and re-phased capital programme
  - Moving from collecting rent on a 48 week basis to a 52 week basis and that consultation on this and other changes to the tenancy agreement takes place during 2017/18
  - Mitigating income loss through bad debts (rent arrears) and having properties stood empty (voids)

### Current Position

- 3.3 In order to deliver the recommendations outlined above at 3.2, a series of tenant, officer and elected member working groups were established in April 2017 to consider how these savings could be achieved in more detail, including;
- Reviewing tenant repairing obligations e.g. tenants taking more responsibility for their own repairs and damage
  - Reviewing repair response times
  - Reviewing void standards and undertaking some work after a property has been re-let as part of the Housing Capital Programme
  - Adopting a standard approach to the removal of the previous tenants fixtures and fittings
- 3.4 As any material change to services to tenants and / or the tenancy agreement require consultation with all secure and

introductory tenants, in accordance with the 1985 Housing Act, the working groups have also considered any other changes that are required to the Tenancy Agreement to ensure that it remains current and fit for purpose.

- 3.5 The current Tenancy Agreement, attached at **Appendix 1**, has been in use since 2009.
- 3.6 In July 2017, a further discussion took place with the Corporate Cabinet and Corporate Management Team on the likely recommendations from the tenant, elected member and officer working groups to mitigate the worsening financial position of the HRA and the areas that would require consultation with all tenants.
- 3.7 A copy of the proposed new Tenancy Agreement is attached at **Appendix 2**. A summary of the variations between the current and proposed Tenancy Agreement is attached at **Appendix 3**. In addition, the proposed changes to the Tenant Handbook, which sits along-side the Tenancy Agreement and which sets out the detail to Tenant Rent and Repairing Obligations is attached at **Appendix 4**.

#### Consultation

- 3.8 It is a requirement under the Housing Act's 1985 (section 105) and 1996 that where general changes to the terms of the tenancy are proposed, all landlords must consult with secure and introductory tenants regarding proposed changes in matters of 'housing management' and ascertain their views.
- 3.9 This requirement is known as a 'preliminary notice of variation' and it is suggested that tenants are given 28 days in which to make any written representations.
- 3.10 Any such representations will then be reported back to Members with any changes recommended. Following agreement by Members, notice of the changes will be served on tenants. This is called the 'final notice of variation' and the new Tenancy Agreement will come into force 28 days after the service of this notice.

3.11 In order to ensure that the new Tenancy Agreement and other proposed changes come into force at the start of the 2018/19 financial year the following timetable is proposed:

<b>Action</b>	<b>Date</b>
Cabinet Approval to serve preliminary notice of variation and start consultation with tenants	12 September 2017
Consultation Commences	Mid October 2017
Consultation Ends	Mid November 2017 (28 days later)
Report to Cabinet on outcome of Consultation and approval to serve final notice of variation	16 January 2018
Final Notice of Variation served	No later than 25 February 2018
New Tenancy Agreement comes into force	1 April 2018

3.12 In discussion with the Policy and Communications Manager, it has been agreed that the Policy Service will carry out some of the consultation with tenants in conjunction with the Housing Service. The consultation will include;

- An edition of Our Homes, the newsletter for Tenants and Leaseholders, setting out the proposed areas for change and why they are necessary, the consultation process including a timetable of events and the associated benefits
- A letter to all tenants (Preliminary Notice of Variation) including;
  - The proposed new Tenancy Agreement
  - The current version of the Tenancy Agreement
  - A summary of changes to the Tenancy Agreement and relevant sections from the Tenant Handbook (Repair Obligations and Rent)
  - A short questionnaire for tenants to let us know their views and comments (with entry to a Free Prize Draw on completion)
- An online version of the consultation, FAQ's and questionnaire on the Council's Website

- A series of consultation events both in fixed locations and using the Housing Services Mobile Office (to be carried out in conjunction with Severn Trent) attached at **Appendix 5**
- A one off consultation event for other Stakeholders e.g. Law Centre, CAB
- FAQ's for staff and elected members
- Weekly notifications on Facebook and Twitter during the 28 day consultation period

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

4.1 In order to achieve the required £1.5million savings to the Responsive Repairs Budget over three years and the proposed changes to the Tenant Repairing Obligations and Response Timescales, the Commercial Services Manager 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).

4.3 It is further anticipated that these staff could usefully be re-deployed elsewhere in the Building Service, undertaking capital 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.

#### **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 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 the requirement to consult tenants on changes to the Tenancy Agreement in relation to potential changes to tenants repairing obligations will be met by the HRA.
- 5.4 A sum of £30,000 is currently held within the HRA for consultation with tenants over the ways in which water rates are collected by the council, as an agent, on behalf of Severn Trent. It is proposed that this sum is utilised for the payment of the consultation relating to the repairing obligations and other changes required to the Tenancy Agreement in 2017/18. This was agreed as part of the Annual Housing Revenue Account Rent (HRA) and Service Charge Setting Report to Cabinet on 24 January 2017.

## 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 recipients where UC paid over 52 weeks and rent collection on a 48 week basis	High	High	Removal of rent free weeks and move to a 52 week rent year	Medium	Medium
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 or videos made available. Introduction of a chargeable 'handyman' service for minor repairs	Low	Medium
Increased customer dis-	Medium	Low	All repairs will be carried out by	Low	Low

satisfaction with routine repairs being carried out over 30 days as opposed to 20 days			appointment with an appointment being offered and made at the time of reporting		
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.

7.2 The statutory consultation and notice requirements associated with the proposals contained within this report are set out at paragraphs 3.8 to 3.10.

7.3 The questionnaire used as part of the consultation process will be completely anonymous (unless tenants wish to be included in the Free Prize Draw) and will comply with all aspects of the Data Protection Act.

## 8.0 Equalities Impact Assessment (EIA)

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

8.2 A full Equalities Impact Assessment will be completed once the results of the consultation process are known. As part of this process the results of the consultation will also be discussed with the HRA Business Planning Steering Group.

## 9.0 **Recommendations**

9.1 That Members approve the proposed changes to the Tenancy Agreement.

9.2 That the Housing Manager be authorised to consult with tenants regarding the proposed changes to the Tenancy Agreement and to serve the necessary preliminary notice of variation.

9.3 That a further report be brought to Members following the completion of the consultation process, no later than January 2018.

## 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 working with tenants through the Customer Engagement Strategy.

10.4 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>	742
<b>Wards affected</b>	All Wards
<b>Links to Council Plan priorities</b>	To contribute to the council's priority to improve the quality of life for local people

### **Document information**

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<b>Background documents</b>	
<i>none</i>	
<b>Appendices to the report</b>	
Appendix 1	Current Tenancy Agreement
Appendix 2	Proposed Tenancy Agreement
Appendix 3	Summary of Variations to Tenancy Agreement
Appendix 4	Proposed Changes to Tenant Handbook e.g. Rent and Repairing Obligations
Appendix 5	Proposed Consultation Events
Appendix 6	Preliminary EIA