

# Report to Cabinet

**17 February 2021**

<b>Subject:</b>	Adoption of the revised Black Country Tenancy Strategy
<b>Cabinet Member:</b>	Councillor Keith Allcock – Cabinet Member for Homes
<b>Director:</b>	Director - Housing and Communities - Alan Caddick
<b>Key Decision:</b>	Yes – with approximately 7,000 Housing Association properties in Sandwell the Tenancy Strategy will impact on all wards across the Borough
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## 1 Recommendations



- 1.1 That approval be given for the Council to adopt the revised Black Country Tenancy Strategy as set out in Appendix 1.
- 1.2 That the Director of Housing and Communities, in consultation with the Cabinet Member for Homes, be authorised to review and approve subsequent Tenancy Strategy reviews and amendments except where the changes are major or involve amended legislation.



## 2 Reasons for Recommendations

- 2.1 In conjunction with the neighbouring Black Country local authorities, the Council has concluded a review of the current strategy that itself took effect on 15 January 2013.
- 2.2 Section 150(1) of the Localism Act 2011 states that a local authority must publish a Tenancy Strategy. The Black Country Strategy enables a uniform approach across the Black Country Region on the part of registered housing providers for the administration of both Fixed Term Tenancies and Affordable Rents.

## 3 How does this deliver objectives of the Corporate Plan?

	<p>People live well and age well</p> <p>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 that will have a direct and positive impact on the ability of people to live well and age well. In this context, the Tenancy Strategy will fully support the Corporate Plan.</p>
	<p>Quality homes in thriving neighbourhoods</p> <p>Approximately 7,000 homes in Sandwell are owned and managed by Registered Providers. The Tenancy Strategy enables a uniform approach across the Black Country Region for the administration of both Fixed Term Tenancies and Affordable Rents by registered providers of social housing.</p>



## 4 Context and Key Issues

- 4.1 **Legal context.** The Localism Act 2011 introduced provision for flexible secure tenancies (referred to as Fixed Term Tenancies) for registered social housing providers. As the term suggests, these tenancies can be issued for fixed terms and, based on a set of fixed criteria, can either be renewed or terminated at the close of the term. The legislation also brought in the use of Affordable Rents for social housing tenants. Affordable Rents are calculated to a charge of up to 80% of the local private rented market level in accordance with set regulations.
- 4.2 Section 150(1) of the Localism Act states that a local authority must publish a Tenancy Strategy setting out the matters to which registered providers of social housing operating within their district must 'have regard' when formulating policies relating to:
- the kinds of tenancies that they grant;
  - the circumstances in which they will grant a tenancy of a particular kind;
  - where they grant tenancies for a fixed term, the lengths of the terms; and,
  - the circumstances in which they will grant a further tenancy at the end of an existing fixed term
- 4.3 In compliance with the above legislation, in 2013 the four Black Country local authorities developed and implemented the current Black Country Tenancy Strategy that has enabled a uniform approach across the sub-region for the administration of both Fixed Term Tenancies and Affordable Rents.



#### 4.4 Review process and proposed amendments

4.5 In 2020 and in conjunction with the neighbouring Black Country local authorities, the Council concluded a review of the current strategy that itself took effect on 15 January 2013. The revised strategy is attached as Appendix One of this report.

4.6 With regard to administration of Fixed Term Tenancies the review has concluded that the following key amendments should be made:

- Reviews will take place at least nine months prior to the fixed term tenancy ending (instead of the current six).
- Tenants will be notified of the review outcome and the decision at least six months instead of three months before the fixed term tenancy ends.
- To add greater clarity around the housing based situations that a decision could be taken not to renew a fixed term tenancy, including where:
  - 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.
- To discontinue with the monitoring requirements. This has proved to be impracticable and difficult to administer since the current strategy took effect.

4.7 With regard to administration of Affordable Rents, the review has concluded that the following key amendments should be made:

- As a local authority, we expect a proportion of new build development to be social housing rent where the said homes are not funded through the Affordable Housing Grant programme.



- Where affordability is an issue, as a local authority we expect the landlord to provide support to the tenant to enable them where possible to access and sustain the tenancy rather than exclude the said household in the first instance
- That converting from social rent to affordable rent is not supported unless there is a direct link to the funding of additional affordable or social homes within the region.

4.8 The review has included the opportunity for all of the housing associations operating in Sandwell and who are signed up to the Nominations Agreement to become involved. All those signed up have accepted the new terms. The revised strategy has also been presented to officers of the Council who engage with the housing association sector.

4.9 In addition to the above, Dudley Council have undertaken a specific consultation exercise with housing providers operating across the wider Black Country Region. Of note during the consultation exercise many housing providers reported that they intended to reduce or discontinue with Fixed Term Tenancies, largely on account of the administrative burden involved.

## 5 Alternative Options

5.1 There are no alternative options, it is a statutory requirement for a local authority to publish a Tenancy Strategy. 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.



## 6 Implications

<b>Resources:</b>	There are no specific financial or staffing implications with regard to the introduction of the revised strategy. The strategy will not impact or affect the status of any Council owned property or land.
<b>Legal and Governance:</b>	Section 150(1) of the Localism Act states that a local authority must publish a Tenancy Strategy. The revised strategy will come into affective from 01 April 2021 and will apply across the whole of the Black Country Region.  In terms of governance, it is proposed to introduce delegated powers for the Director of Housing and Communities and the Cabinet Member for Homes to review and approve subsequent Tenancy Strategy reviews and amendments unless the changes are major or involve amended legislation.
<b>Risk:</b>	The adoption of the Strategy will ensure that the Council is not open to any form of legal challenge and fulfils a statutory obligation. No specific risks have been identified as part of this strategy review.
<b>Equality:</b>	An Equality Impact Assessment has been completed and no adverse impacts were found on any of the protected characteristics.
<b>Health and Wellbeing:</b>	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 that will have a direct and positive impact on the Corporate Plan.
<b>Social Value</b>	As stated above, the administration of both fixed term tenancies and affordable rents will facilitate access to decent affordable homes and is a central component from which to build a stable life and to participate more readily in all forms of daily life.



## 7. Appendices

**Appendix One:** Revised draft Black Country Tenancy Strategy

## 8. Background Papers

None

