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Director of Communities and Place
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Updates to Tenancy Strategy

Purpose

- 1.1 To seek Cabinet approval to amend the Tenancy Strategy to include the use of flexible tenancies for Council owned homes of 4 or more bedrooms and properties which are significantly adapted to accommodate a disabled occupant.

Recommendation

- 2.1 That Cabinet approves the proposed amendment to the Tenancy Strategy, on the Council's use of flexible tenancies, with an implementation date of Monday 3 April 2023.

Reason(s)

- 3.1 The Tenancy Strategy 2021 states that, *"lifetime tenancies are preferred in the majority of cases..."* but that the Council would, *"...continue to assess the advantages and disadvantages of providing flexible tenancies for those living in larger properties or substantially adapted properties through a wider engagement process."*
- 3.2 Following an assessment with Derby Homes and the wider engagement set out in section 5 below, together with an Equalities Impact Assessment (EIA), it is now felt appropriate to issue flexible tenancies for Council owned homes with 4 or more bedrooms and those which are significantly adapted to accommodate a disabled occupant. This is because these types of properties are in particularly short supply and high demand and flexible tenancies will provide an additional means to increase supply going forward.

Supporting information

Flexible Tenancies

- 4.1 Derby City Council, like many local authorities and Registered Providers, has a chronic shortage of larger family sized properties, specifically homes with four or more bedrooms and homes that have been significantly adapted to accommodate a disabled occupant.

- 4.2 Availability of these homes has become increasingly scarce due, in part, to the use of secure (“lifetime”) tenancies which allow tenants to remain in the property for as long as they wish, providing they abide by their tenancy agreement, regardless of changes in their household and there no longer being a need for a larger or adapted home.
- 4.3 A snapshot of the Council’s housing stock in August 2021 shows there were 183 4+ bed properties (1.5% of total stock). During 2020/21, only thirteen of these homes became available for reletting, whilst there were 304 households on the Housing Register in need of one. Although there are Disabled Facilities Grant (DFG) and other funding and schemes available to adapt existing homes, there were 1,302 applicants waiting for a home with adaptations suitable for a disabled occupant.
- 4.4 The Council has several initiatives to increase the number of high demand properties in its stock.
- The Home Release Scheme offers incentives to encourage tenants to move to a more suitable property when their current home no longer suits their needs.
 - Including these type homes on new build schemes
 - Family homes and adapted properties are added to the stock by purchasing from the open market and extending or adapting existing homes.
 - The Council also continues to work with other RPs and private sector landlords to secure suitable homes for these households.
- 4.5 The use of flexible tenancies will provide another tool to increase the availability of larger homes of 4 or more bedrooms and homes which are significantly adapted for a disabled occupant.
- 4.6 Flexible tenancies are a form of secure tenancy that are granted for a minimum fixed term of two years. However, the Government has issued statutory directions to the Regulator of Social Housing stating that these tenancies should be granted for a minimum of five years, other than in 'exceptional circumstances'. Anyone taking on a flexible tenancy will have the same rights as a “lifetime” tenant, such as the right to exchange, right to buy and right to succeed.
- 4.7 It is proposed to offer a flexible tenancy of five years (the first year would be an “Introductory Period” as is currently the case for new secure lifetime tenants) on reletting properties with four or more bedrooms and for substantially adapted properties.
- 4.8 Tenants currently living in properties with four or more bedrooms, or substantially adapted properties, who have an existing secure council tenancy, will not be affected by this proposal.

- 4.9 Properties to be let on a flexible tenancy will be clearly advertised as such on Derby's choice-based lettings scheme (Homefinder). The following assurances will also be included when allocating these tenancies:
- The Tenancy Strategy will include clear information on renewal and termination of flexible tenancies.
 - Tenants will be advised to seek advice from an independent organisation, such as a disability charity, to ensure they understand the type of tenancy they will be committing to or support them with any review of the tenancy or a decision not to grant a new one when it ends.
 - Appropriate housing advice will be provided by the council where a new fixed term tenancy is not granted.
 - There will be clear and transparent processes to appeal decisions not to grant a new tenancy following the end of the fixed term.
 - An offer of suitable alternative accommodation will be made where the decision not to grant a new flexible tenancy is because the household no longer has a need for a property that has at least four bedrooms or is adapted for someone with a disability.

Public/stakeholder engagement

- 5.1 Consultation on the proposal to introduce flexible tenancies took place for 12 weeks from 23 June to 14 September 2022 via the Council's Let's Talk Derby consultation site (see Appendix 1: Consultation outcomes and responses: Introduction of Flexible Tenancies).

A total of 57 responses were received (all the figures below are rounded to the nearest whole number):

- 18 32% homeowners
 - 14 25% renting their home from the Council
 - 7 12% private sector tenants
 - 5 9% tenants of a Registered Provider (housing association)
 - 5 9% worked for a Registered Provider
 - 4 7% worked for an organisation that assists tenants or those in need of social or affordable housing
 - 4 7% did not specify their circumstances.
- 5.2 86% of respondents either agreed or strongly agreed with the proposal to apply flexible tenancies to homes of 4 or more bedrooms, and 80.3% agreed or strongly agreed with using them for adapted properties.
- 5.3 This is similar to the responses for the consultation on the 2021 Tenancy Strategy which took place from February to April 2021, when 70-76% respondents agreed with the use of flexible tenancies in these circumstances.

- 5.4 An Equality Impact Assessment (EIA) has been carried out (see Appendix 2). The assessment did not identify any potential for discrimination or negative impact.

Other options

- 6.1 **Do nothing and continue offering secure tenancies for all new tenancies of general needs and adapted properties.** This is unsustainable as a long-term approach given the high number of households on the Housing Register and the continued unavailability of both larger properties and adapted homes to let. Current initiatives are not sufficient to free up these homes for letting to households living in overcrowded properties or homes that are not suitable for their needs.

Financial and value for money issues

- 7.1 There are no new additional financial commitments arising directly from what is being proposed.

Legal implications

- 8.1 The Tenancy Strategy will need to be updated to include the Council's use of flexible tenancies as proposed.
- 8.2 A draft flexible tenancy agreement will need to be produced and reviewed by Legal Services prior to its introduction and use.

Climate implications

- 9.1 The proposal relates to the use of a type of tenancy agreement in specified circumstances and has no implications or impact on the climate (see Appendix 3: Climate Change Impact Assessment Tool Report).

Socio-Economic implications

- 10.1 A person's quality of life will be affected by living in a home that is overcrowded, due to lack of privacy and physical space which may cause lack of sleep and raised levels of stress. School-aged children may find it difficult to do homework which could affect their education.

A disabled person may find their mobility very restricted in a property not adapted for their needs. They may be confined to a part of the property or even a single room. They may need daily support with dressing, meals and bathing which may be reduced or eliminated in suitable accommodation. For disabled people living in a property that is not suitable for their needs there are likely negative impacts on their health and wellbeing which may continue to deteriorate over time.

- 10.2 Residents in lower economic status are disproportionately represented in poorer private housing and are therefore at increased risk of being affected by the issues outlined in this report.
- 10.3 Action to improve access to accommodation that is suitable for peoples' needs will have a significant impact on reducing socio-economic inequalities

Other significant implications

- 11.1 Introducing flexible tenancies for homes with 4 or more bedrooms and homes with significant adaptations will aim to meet Objectives 1 & 3 from our Housing Strategy 2020-29:
- Make the best use of our housing stock by getting the most out of homes that already exist. Homes in short supply and/or high demand will be occupied by those households that require them.
 - Help those with disabilities by providing accommodation that is suitable for their needs

This report has been approved by the following people:

Role	Name	Date of sign-off
Legal	Olu Idowu	17/11/2022
Finance	Amanda Fletcher	16/11/2022
Service Director(s)	David Fletcher	18/11/2022
Report sponsor		
Other(s)	Clare Mehrbani, Director of Housing Services, Derby Homes	11/11/2022

Background papers:		
List of appendices:		
Appendix 1	Consultation - outcomes and responses	
Appendix 2	EIA - Flexible Tenancies	
Appendix 3	Climate Change Impact Assessment Report	