



## **HOUSING COMMITTEE**

**Wednesday, 2 March 2022**

<b>REPORT TITLE:</b>	<b>LIVERPOOL CITY REGION TENANCY STRATEGY 2022-25</b>
<b>REPORT OF:</b>	<b>DIRECTOR OF REGENERATION AND PLACE</b>

### **REPORT SUMMARY**

This report seeks approval from Members for the Liverpool City Region Tenancy Strategy 2022-25. The Tenancy Strategy, if approved, would support at least two aims of the Wirral Plan 2021-26:

- Deliver quality, affordable and sustainable homes; and
- Prevent and relieve homelessness.

This matter affects all Wards.

This matter is a Key Decision as it affects all 23,500 households occupying housing owned by Registered Provider of Social Housing, representing around 15% of all Wirral households.

### **RECOMMENDATIONS**

The Housing Committee is recommended to approve the Liverpool City Region Tenancy Strategy 2022-25 set out at Appendix One to this report, subject to the unanimous agreement of each Liverpool City Region Local Authority through their corresponding approval processes.

It is also recommended that should any minor amendments be required to the Strategy as a result of these approval processes, the Director of Regeneration & Place is given delegated authority to approve these amendments on behalf of Wirral Council.

## **SUPPORTING INFORMATION**

### **1.0 REASONS FOR RECOMMENDATIONS**

- 1.1 Wirral Council is required to have a Tenancy Strategy under the Localism Act 2011 and as such Cabinet approved the Council's first Tenancy Strategy in June 2013.
- 1.2 The Tenancy Strategy incorporates matters which registered providers of social housing must have regard to when formulating their policies on tenancies, including for example the kinds of tenancies that they grant; the circumstances in which they grant certain tenancies; the length of time that they will grant tenancies and in which circumstances they will grant further tenancies once an existing tenancy has come to an end.
- 1.3 There is a need to regularly review the Strategy and in 2016, as all Liverpool City Region local authorities were ready to review the strategy at the same time, it was agreed to produce a single Tenancy Strategy for the sub-region. Registered Providers of social housing (RPs) are required to have regard to local authority Tenancy Strategies when producing their own Tenancy Policies and as many RPs have housing stock in more than one local authority, it is sensible to reduce the number of Strategies they need to refer to. The first joint Liverpool City Region Tenancy Strategy was approved by Wirral Council's Cabinet in October 2016.
- 1.4 A review process commenced across the Liverpool City Region in 2021 to ensure the Tenancy Strategy was fit-for-purpose. The review found the core requirements of the Strategy still relevant and required and these therefore remain unchanged. The changes to the updated Strategy focus on the local and national political background and more recent local data which supports the continuation of the Strategy's core requirements.
- 1.5 The Strategy has been informed and developed through consultation with all Liverpool City Region local authorities, the Sub-Regional Property Pool Plus Steering Group and all Registered Providers of social housing with stock in the Liverpool City Region.

### **2.0 OTHER OPTIONS CONSIDERED**

- 2.1 It is a statutory duty for local authorities to publish a Tenancy Strategy under the Localism Act 2011. The Act also states that a local housing authority must keep its Tenancy Strategy under review and may modify or replace it from time to time. Not reviewing and modifying the Strategy was therefore not considered.
- 2.2 Wirral Council could revert to a Tenancy Strategy covering the Wirral local authority area only. This was dismissed as many RPs have housing stock across the Liverpool City Region as well as the Strategy's core objectives suiting the needs of all six local authorities and there being greater collaboration in recent years on housing matters, particularly since the formation of the Liverpool City Region

Combined Authority. It therefore made sense to continue with a single Strategy for the City Region.

### **3.0 BACKGROUND INFORMATION**

#### **3.1 The Localism Act 2011**

3.1.1 The Localism Act 2011 gave new flexibilities and powers to Registered Providers (RP) of social housing, including the option to use flexible tenancies. RPs were given the ability to offer different kinds of tenancies to respond to the particular needs of their communities to ensure that social housing is focussed on providing homes for those in genuine need. The Localism Act placed a duty on all Local Authorities to publish a Tenancy Strategy setting out how they would like RPs to make use of these flexibilities to respond to local needs.

#### **3.2 Liverpool City Region collaboration**

3.2.1 Local Authorities within the Liverpool City Region individually published their first Tenancy Strategies during 2012 and 2013 with all due to be reviewed during 2016. Given the similarities between the existing strategies, the City Region Local Authorities agreed to collaborate and produce one joint Tenancy Strategy in 2016, particularly as there are currently over 100 Registered Providers managing in excess of 150,000 properties within the City Region, many of which operate across Local Authority boundaries. As such, the adoption of the joint Tenancy Strategy has been beneficial in providing a consistent approach to help support RPs in preparing their Tenancy Policies. The 2022 Strategy is continuing with this approach.

#### **3.3 Registered Providers of Social Housing**

3.3.1 Registered Providers of social housing are expected to have due regard to the principles set out in Local Authorities Tenancy Strategies when formulating policies that govern how they will implement and utilise fixed-term tenancies and it is important that they are able to follow a consistent set of principles, which one Liverpool City Region Tenancy Strategy will provide.

#### **3.4 Consultation**

3.4.1 The Consultation process was focussed on a survey from December 2021 to January 2022 with RPs operating within the City Region. Analysis identified that, of those 16 RPs that responded to the survey, five had issued a total of 1,090 fixed-term tenancies across three financial years 2018-19, 2019-20 and 2020-21. The reasons for their use include:

- Being required for Rent to Buy properties;
- Large family homes to prevent future under-occupation;
- Properties that have been specifically designed or adapted for use by disabled persons;
- Property types that are identified as in short supply;
- Properties in particularly high demand areas; and

- Making better use of existing stock.

3.4.2 The breakdown by local authority of the 1,090 fixed-term tenancies issued is as follows:

- Halton – 11%
- Knowsley – 28%
- Liverpool – 29%
- St Helens – 16%
- Sefton – 9%
- Wirral – 7%

3.4.3 The use of fixed-term tenancies has increased across the City Region since the last survey of RPs on the matter in 2014. At that point, and since the introduction of fixed term tenancies in 2011, only 63 had been issued. RPs are clearly making use of them more to manage their stock but with the majority of RPs still favouring lifetime tenancies which cover the vast majority of new tenancies issued each year.

3.4.4 All RPs responding were in favour of the proposed Liverpool City Region Tenancy Strategy and had no concerns to raise.

### 3.5 **Liverpool City Region Tenancy Strategy 2022-25**

3.5.1 The proposed Liverpool City Region Tenancy Strategy continues an approach of maintaining a presumption in favour of lifetime tenancies. Social housing is often located in some of the more deprived parts of the City Region and reducing security of tenure in these areas is likely to impact on the longer-term aspiration of creating sustainable communities. The proposed Strategy also continues to recognise that there may be circumstances where the use of fixed-term tenancies will provide an opportunity for RPs to make best use of their housing stock. It sets out the criteria RPs should consider in determining the appropriate form of tenancy for tenants and the situations where the use of fixed-term tenancies will not be suitable. Fixed-term tenancies will not be suitable:

- Where the household is transferring from an existing Registered Provider assured or Local Authority secure tenancy which was granted prior to 1st April 2012. This is to ensure that there are no disincentives for existing tenants to move to a more suitable or desirable property and there are no barriers to normal “churn” within the sector;
- Tenants with a lifelong need for support that would disadvantage them in securing alternative accommodation should be offered lifetime tenancies. This applies to tenants in both general needs and specialist and/or supported accommodation;
- Where the tenant is someone over the prevailing state retirement age or where the tenant is residing in older persons accommodation, such as sheltered or “extra care” housing;
- Where the property is located in an area of very low demand and/or high multiple deprivation and where the Local Authority has serious concerns about

the long-term sustainability of the area, unless the Registered Provider can demonstrate that the use of fixed-term tenancies would assist with creating and maintaining the balance in such areas. In these circumstances the Local Authority will initiate discussions with the relevant Registered Provider(s) to request that they temporarily suspend the use of fixed-term tenancies in that area or specify how fixed-term tenancies would assist with creating and maintaining balance; and

- Where a tenant with a secure or assured tenancy is required by a Registered Provider to move due to redevelopment e.g. they are being required to move; not seeking to do so.

3.5.2 The proposed Strategy retains the expectation that fixed-term tenancies will normally be granted for a minimum of five years and then reviewed accordingly. In situations where a decision has been taken by an RP not to renew a tenancy at the end of a fixed-term, the Strategy sets out that the RP should seek to engage with the tenant at the earliest possible convenience to make them aware of the RP's intentions. The Strategy further states that RPs should provide households affected by the termination of a tenancy with any relevant advice and support that will assist them in successfully relocating to alternative accommodation. This could include:

- Advice on low-cost home ownership options and other alternative affordable housing tenures;
- Specialist housing and/or welfare related advice and/or signposting to appropriate services; and
- Advice on renting in the private rented sector and assistance in identifying and securing a suitable property (this may involve assistance with a deposit where necessary)

3.5.3 An updated detailed analysis of housing market trends across the City Region has been undertaken, with a summary provided as an appendix to the Strategy. This identifies that demand for social and affordable housing continues to be high across the City Region. Taking this into account along with the impact of Government welfare and housing reforms over the past decade, it does not identify any trends which would prompt a change of policy direction from that of the 2016 Tenancy Strategy. The evidence for increased demand places an even greater emphasis on the requirement to ensure that local authorities and RPs support the effective use of homes to ensure that they are matched to people who need them, for example homes with adaptations.

## 3.6 Decision Making Process

3.6.1 The Strategy was the subject of a report to the Housing and Spatial Planning Board in July 2021 who supported a collaboration between the local authorities for the production of a LCR tenancy strategy with the LCR Housing and Spatial Planning Officers Group having oversight of the production and engagement with key partners. The proposed Strategy is now being recommended for endorsement and adoption by each Liverpool City Region Local Authority through their own governance arrangements which is currently being undertaken, with a view to launching the revised City Region Tenancy Strategy by late summer 2022.

3.6.2 Subject to approval, the Strategy will be reviewed annually and a yearly update reported to the Housing and Spatial Planning Officers Group for oversight.

#### **4.0 FINANCIAL IMPLICATIONS**

4.1 There are no direct financial implications for Members to consider.

#### **5.0 LEGAL IMPLICATIONS**

5.1 The development of a Tenancy Strategy was a statutory requirement of the Localism Act 2011 and had to be published by 2013. The Act also states that a local housing authority must keep its Tenancy Strategy under review and may modify or replace it from time to time.

#### **6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS**

6.1 There are no ICT or Asset resource implications.

6.2 The collaborative process of producing and reviewing the joint strategy sits with staff in the Housing Division, with local authorities of the Liverpool City Region taking turns in leading on reviews and new Strategies. Halton Council has led on the 2022-26 Strategy formation, with staff at Wirral Council leading on an annual review in 2020.

#### **7.0 RELEVANT RISKS**

7.1 The Tenancy Strategy needs to be clear about the issues which RPs should have regard to when setting their Tenancy Policies. Should it not do so, there is a risk that it could lead to unbalanced and unsustainable communities, without the protection needed for households that the local authority views as being vulnerable and more suited to lifetime tenancies.

#### **8.0 ENGAGEMENT/CONSULTATION**

8.1 The engagement and consultation process has been set out in full in section 3.4.

#### **9.0 EQUALITY IMPLICATIONS**

9.1 Wirral Council has a legal requirement to make sure its policies, and the way it carries out its work, do not discriminate against anyone. An Equality Impact Assessment is a tool to help council services identify steps they can take to ensure equality for anyone who might be affected by a particular policy, decision, or activity.

9.2 Halton Council, as local authority co-ordinator for this version of the Tenancy Strategy, has completed an Equality Impact Assessment which has been reviewed and agreed by Wirral Council officers. This can be viewed in the Appendix containing the Strategy. There are no negative impacts on any of the equality groups.

#### **10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS**

10.1 The content and recommendations contained within this report are expected to have no impact on emissions of Greenhouse Gases.

## 11.0 COMMUNITY WEALTH IMPLICATIONS

11.1 The Strategy sets out how fixed term tenancies can be used to create balanced, settled and sustainable communities, which can particularly enable people with vulnerabilities to thrive and offer stability for employment.

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## APPENDICES

Appendix 1 – Liverpool City Region Tenancy Strategy 2022-25

## BACKGROUND PAPERS

1. *Localism Act 2011, Part 7, Chapter 2, Sections 150-153, [www.legislation.gov.uk](http://www.legislation.gov.uk)*

## SUBJECT HISTORY (last 3 years)

Council Meeting	Date
None	Not applicable