

CYNGOR SIR POWYS COUNTY COUNCIL.

CABINET EXECUTIVE

October 11th, 2022

REPORT AUTHOR: Councillor Matthew Dorrance - Deputy Leader and Cabinet Member for a Fairer Powys

REPORT TITLE: Renting Homes (Wales) Act 2016 – Tenancy Terms for New Tenants

REPORT FOR: Decision

1. Purpose

- 1.1 A Housing Services Working Group has been established to oversee the implementation of the Renting Homes (Wales) Act 2016 in Powys. This work has included consideration of the use of Introductory Tenancies¹, which under the provisions of the Act will be replaced by an Introductory Standard Contract². The Renting Homes (Wales) Act 2016 comes into force in December 2022.
- 1.2 A review by the Working Group regarding the use and effectiveness of Introductory Tenancies in Powys shows that there is no practical or operational reason to implement the use of Introductory Standard Contracts from December 2022. Accordingly, there is no need to continue beyond the date of this report, if approved, with the continued use of Introductory Tenancies for new tenants.

2. Background

- 2.1 Under the Renting Homes (Wales) Act 2016 the default contract to be issued by community landlords, which includes local authorities, is the Secure Contract. A Secure Contract offers tenants the highest level of tenure security, equivalent to that enjoyed under the current Secure Tenancy. The Act also allows community landlords to issue an Introductory Standard Contract. Subject to the tenant complying with the terms of such a contract, after twelve months an Introductory Standard Contract would, unless the landlord requests through the courts an extension of the introductory contract, become a Secure

¹ For tenants in council housing, an Introductory Tenancy is a probationary tenancy for twelve months. After the trial period, an introductory tenant will become a secure tenant if they have met and not breached the conditions set out in their tenancy agreement. The equivalent for housing associations is a Starter Tenancy.

² Introductory Standard Contracts allow community landlords, such as a local authority or housing association, to ascertain during the introductory period whether a contract-holder can sustain a Secure Contract.

Contract. The Council cannot be selective with whom to issue an Introductory Standard Contract; it must be issued to all new tenants or to none at all.

- 2.2 The decision to make use of Introductory Tenancies was made by Cabinet on November 11th, 2014 and applied to all new Council tenants from April 2015. The objective was to allow the Council to be better able to obtain possession against a tenant who had breached their tenancy conditions, for example by engaging in anti-social behaviour.
- 2.3 Housing Services has reviewed effectiveness of the use of Introductory tenancies by the Council between April 2015 and August 17th, 2022:
- A total of 1614 introductory tenancies, out of 1904 issued, have been converted to secure tenancies,
 - Three introductory tenancies were extended from twelve to eighteen months (as provided for in law) and subsequently surrendered by the tenant, during the extension,
 - Nine introductory tenancies were extended from twelve to eighteen months, and then converted to secure,
 - Eight introductory tenancies are, as of August 17th, 2022, still within their extended period,
 - A total of 280 introductory tenancies ended before being converted to secure. This included eleven evictions for rent arrears. This equates to 0.6% of all Introductory Tenancies issued. The remaining 268 introductory tenancies were ended by the tenant.
- 2.4 The Housing Service has consulted with the eight housing associations that are members of 'Homes in Powys' to clarify their intentions in respect of Introductory Standard Contracts. Seven have confirmed that they have already stopped issuing Starter Tenancies, the housing association equivalent of an Introductory Tenancy, or will be doing so by not adopting Introductory Standard Contracts once the Act is implemented. The eighth is currently considering such a change in its approach to new tenants.

3. Advice

- 3.1 The use of Introductory Tenancies, and the successor Introductory Standard Contracts, presumes that all tenants are at risk of breaching their tenancy conditions during the first twelve to eighteen months of their tenancy. There is little evidence to suggest, based on the experiences of the Council since 2015, that this is the case in Powys. This suggests that there is no need for the Council to continue to issue the Introductory Tenancy or its successor, the Introductory Standard Contract.
- 3.2 Should the Cabinet approve the recommendation to end the use of Introductory Tenancies, all current Introductory tenancies will automatically convert to secure tenancies. Housing Services will write

to affected tenants to advise them of this change. No further Introductory tenancies will be issued.

- 3.3 Should the Cabinet approve the recommendation not to adopt the Introductory Standard Contract from December 2022, then a consistent approach to new tenants will be achieved across all social landlords working in Powys.

4. Resource Implications

- 4.1 There will be no additional resource implications associated with the proposal. The intention is to remove the step of issuing an introductory tenancy and issue all new tenants with a secure tenancy.
- 4.2 The Head of Finance (Section 151 Officer) notes the content of the report.

5. Legal implications

- 5.1 Legal implications have been reviewed by the Housing Solicitor who is happy with the content and recommendation associated with the report. The removal of introductory tenancies would assist in the implementation of the Renting Homes (Wales) Act 2016 by removing the need for an additional occupation contract to be drawn up and also would provide more security for tenants.
- 5.2 The Head of Legal and Democratic Services (Monitoring Officer) has commented as follows: "I note the legal comment and have nothing to add to the report".

6. Comment from local member(s)

- 6.1 This report and its recommendations apply across all wards in Powys.

7. Integrated Impact Assessment

- 7.1 An Integrated Impact Assessment is not required as the recommendation to issue all new tenants from the date of this report being approved with a Secure Tenancy and all new tenants from December 2022 a Secure Contract, both actions increasing the security of tenure enjoyed by the Council's tenants.

8. Recommendation

- 8.1 It is recommended that:
 - 8.1.1 With effect from the date of this report, that the Council no longer issues Introductory Tenancies for new tenants of the Council.

8.1.2 The Council does not offer Introductory Standard Contracts for new tenants, after the Renting Homes (Wales) Act 2016 comes into force.

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