

North Tyneside Council Report to Cabinet Date: 11 July 2016

ITEM 7(e)

Title: North Tyneside
Council's Lettings Policy
Review

Portfolio(s): Housing

Cabinet Member(s): Councillor John
Harrison

Report from Service
Area:

Environment, Housing and Leisure

Responsible Officer:

Phil Scott, Head of Environment,
Housing and Leisure

Tel: (0191) 643 7295

Wards affected:

All Wards

PART 1

1.1 Executive Summary:

The purpose of the report is to agree the proposed changes to North Tyneside Council's Lettings Policy.

1.2 Recommendation(s)

It is recommended that Cabinet agree the North Tyneside Council Lettings Policy as set out in Appendix 1 of this report and note the financial implications as set out in paragraph 2.1.

1.3 Forward Plan

Twenty eight days notice of this report has been given. It first appeared on the Forward Plan that was published on 7 March 2016.

1.4 Council Plan and Policy Framework

This report relates to the following priority(s) in the 2014/18 Our North Tyneside Plan:-

1. Our People will be listened to by services that respond better and faster to their needs.
2. Our People will be supported to live healthier and longer lives.
3. Our Places will have more quality affordable homes.
4. Our Places will be places that people like living in and will attract others to either visit or live.

The Lettings Policy promotes sustainable communities and helps people access secure, suitable and affordable homes within North Tyneside.

1.5 Information:

1.5.1 Background

Local Authorities are required to carry out a review of their Lettings Policies at reasonable intervals. The last review was carried out in 2013.

1.5.2 Review Process

A review of the Authority's Lettings Policy has been carried out, taking into consideration the following:-

- Housing Act 1996
- The Localism Act 2011
- The Welfare Reform Act 2012
- Care Act 2014
- Allocation of Accommodation: Guidance for local housing authorities in England, June 2012
- Providing social housing for local people; Statutory Guidance for local authorities in England, December 2013
- Summer Budget 2015
- Autumn Statement 2015
- Welfare Reform and Work Bill
- Local Government Finance Settlement 2016/17
- Issues identified during the operation of the current Lettings Policy
- Feedback from consultation with Members, staff, tenants / potential tenants, residents and key stakeholders

All relevant issues associated with the above list have been incorporated into the revised policy, at Appendix 1.

The Policy has been drafted in consultation with the Authority's Legal Service to ensure compliance with statutory requirements.

1.5.3 Proposed amendments to the Lettings Policy

The main issues arising from the review are summarised below. The feedback from the consultation on each of the proposals is provided in the Consultation Report as set out in Appendix 2.

a) Local Connection

Elected Members expressed a desire to prioritise 'local housing for local people.' The review explored opportunities for strengthening the local connection within North Tyneside Council's Lettings Policy, to ensure it best serves the interest of North Tyneside residents.

The Localism Act 2011 gave greater flexibility to Local Authorities in how they allocate their homes. Later guidance, further encouraged Local Authorities to take into account local connection, in determining priority between households.

The revised policy keeps the majority of the local connection criteria the same. Other than an applicant now has to reside within the Borough continuously, for at least 2 years. This will also apply for family associations living in the Borough.

The Lettings Policy proposes changes to the way applicants are prioritised for housing. This is to ensure that the Authority meets its obligations to provide overall 'reasonable preference' to those applicants falling within the statutory categories (Housing Act 1996), while prioritising those with a local connection.

To achieve this, the number of Bands have been increased from four to six. These Bands reflect the level of housing need and applicant's local connection, as follows:-

- Band 1 – those with a local connection and an 'urgent and high' need
- Band 2 – those with a local connection and a 'high' housing need
- Band 3 – those with a local connection and a 'medium' housing need
- Band 4 – those with no local connection but where 'reasonable preference' applies
- Band 5 – those with a local connection and a 'general' housing need
- Band 6 – those with no local connection and a 'general' housing need

b) Introduction of Tenancy Sustainment (Affordability) Checks

Welfare Reform changes have introduced new restrictions on who is eligible for housing benefit / housing related support and the level they are entitled to. This means that social rents may now be unaffordable for some. It is the Authority's responsibility as a landlord to ensure when offering a home that an applicant will be able to pay their rent i.e. the Authority needs to ensure the financial viability of the tenancy for the tenant. Allowing people to move into a home where they cannot afford to live is not in their long term best interests or in the best interests of the Authority.

It is on this basis that the revised policy includes an affordability assessment before an offer of accommodation is made. Where it is thought that there is a significant risk that an applicant will be unable to pay their rent and where there is no possibility of reducing this risk, no offer of accommodation will be made.

c) Restricted choice for homeless applicants

Sometimes an applicant is given priority homeless status, where otherwise they would have been excluded from joining the Housing Register, e.g. due to serious anti-social behaviour. This is because the Authority has a legal responsibility to provide a suitable offer of accommodation to people who have been assessed as having priority homeless status.

Currently, these applicants have a choice of the homes they can apply for. If they are not successful in finding a home within four weeks, a direct offer of suitable accommodation is made.

Within the revised policy it is proposed that the choice for these applicants is removed and a direct offer of accommodation is made within 4 weeks. If the Authority has a

duty to the applicant under the Care Act 2014, it will act in accordance with that legislation in making an offer.

d) Recognising medium housing need where children under 5 currently live in flats above ground level

The Authority recognises that some households with young children have difficulty and / or concerns about safety in accessing flats above ground level. It is therefore proposed that this is recognised as a 'medium' housing need, for households with children under 5.

e) Home owners

The current policy allows some home owners to be allowed onto the Housing Register. We are proposing changes that will make the Lettings Policy fairer and more transparent.

It is proposed that applicants who own their home will be considered to have the financial means to meet their own housing needs and will not be accepted onto the Housing Register; unless:-

- They are at risk of homelessness or in financial hardship
- They are moving into older person's accommodation and their equity is less than the average price of similar accommodation within the Borough. (This is currently £100,000 and will be reviewed annually)
- There are other exceptional circumstances

If someone has sold or transferred ownership of their home within the last 3 years, they will not be accepted onto the Housing Register if the equity from their sale or transfer is greater than the average house price for similar accommodation within the Borough.

f) Restricting the number of refusals

Currently there are no restrictions on the number of refusals an applicant is allowed. This leads to speculative bidding and we have reached a position where around 50% of all offers are refused. The Authority is aware of a small proportion of customers who repeatedly refuse offers. This is resource intensive and costly. It is therefore proposed to restrict the number of refusals an applicant is allowed, to encourage applicants to carefully consider what homes they apply for.

Where an applicant has refused 3 or more offers over a 12 month period, their application will be suspended for 3 months. It will be the applicant's responsibility to request for their application to be reinstated.

1.6 Decision options:

The following decision options are available for consideration by Cabinet:-

Option 1

Agree the recommendations as set out in section 1.2 of this report.

Option 2

Agree the recommendations as set out in section 1.2 of this report, subject to amendments as specified by Cabinet.

Option 3

Not approve the recommendations and refer the content of this report back to officers for further consideration and consultation.

Option 1 is the recommended option.

1.7 Reasons for recommended option:

Option 1 is the recommended option, as it will support the continued efficient and effective management of Choice Based Lettings within North Tyneside and thereby continue to play an important role in meeting housing need within the Borough.

The proposals contained within Option 1 reflect feedback from consultation and secure compliance with the Authorities' statutory duties.

If the preferred option is not approved, the Authority will be in a weaker position to manage some of the risks associated with Welfare Reform.

1.8 Appendices:

Appendix 1 - Draft North Tyneside Council's Lettings Policy 2016

Appendix 2 - Consultation Report

1.9 Contact officers:

Paul Worth - Housing Operations Manager, Environment Housing and Leisure. Tel: 643 7554

Katrina Anderson – Housing Options Manager, Environment Housing and Leisure. Tel: 643 7569

Becky Dodds - Housing Strategy and Development Officer, Environment Housing and Leisure. Tel: 643 7728

Alison Campbell – Senior Business Partner, Finance. Tel: 643 7038

1.10 Background information:

The following background papers / information have been used in the compilation of this report are available at the office of the author.

- [Housing Act 1996](#)
- [The Localism Act 2011](#)
- [The Welfare Reform Act 2012](#)
- [Care Act 2014](#)
- [Allocation of Accommodation: Guidance for local housing authorities in England, June 2012](#)

- [Providing social housing for local people; Statutory Guidance for local authorities in England, December 2013](#)
- [Summer Budget 2015](#)
- [Autumn Statement 2015](#)
- [Welfare Reform and Work Bill](#)

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

The proposed changes to the Lettings Policy will require some IT amendments (Abritas Housing Register Module) and approximately £4,000 is required to cover the necessary one-off costs. This will be funded from management contingency budgets held within the Housing Revenue Account.

It is expected that the proposed changes will result in reduced administration in the management of void homes and overall re-let times.

By making offers which are conditional on an applicant being able to afford the property we reduce the risk of tenancy failure and associated management costs.

2.2 Legal

Full consideration has been given to the range of relevant legal requirements and provisions, to which the Authority is subject in the revising of the Lettings Policy.

This includes:-

- The Housing Acts
- The Localism Act 2012
- Allocation of Accommodation: Guidance for local housing authorities in England, June 2012
- Providing Social Housing for Local People: Statutory guidance for local authorities in England

Due to the extensive nature of the proposals in the Lettings Policy, a full Section 105 Consultation was carried out in line with the Authority's statutory duty.

Any risks associated with priority given to applicants, have been identified and assessed with the benefit of legal advice and will be added to the Risk Register.

2.3 Consultation / Community Engagement

Officers leading on the Lettings Policy Review met with staff, senior management and the Lead Member for Housing to scope out the required changes. Officers also met and discussed the review with involved tenants and residents of the Homefinder Service Development Group and with a Lettings Policy Review Focus Group.

On 30 November 2015 Housing Sub-committee met and received a briefing on the progress of Lettings Policy Review. The Sub-committee gave their feedback on Policy proposals and this feedback was incorporated into the review. Sub-committee requested an update following further consultation on the Policy and this was given on 22 March 2016. This update provided

Members with consultation feedback on each of the six main proposed Policy changes contained within this report. The Sub-committee endorsed all of the proposed changes.

A full Section 105 Consultation was carried out to seek the views of tenants on the proposed Policy changes. Each North Tyneside Council tenant received a letter summarising the changes and the opportunity to provide feedback. The Lettings Policy consultation ran from 19 February 2016 to 21 March 2016.

Consultation responses were also sought from a wide range of internal and external partners and stakeholders. See Appendix 2 for full details.

2.4 Human rights

North Tyneside Council's proposed Lettings Policy is compliant with Article 8 of the European Convention on Human rights – the right to respect for private and family life.

2.5 Equalities and diversity

An Equality Impact Assessment has been undertaken in relation to the proposed changes.

- Proposals for acknowledging a 'medium' housing need for children under 5s who live in flats is in part a response to the potential detrimental impact of the current policy on young children.
- In developing proposals to restrict home owner's eligibility, consideration has been given to the potential detrimental impact to older people. Therefore applicants who are applying to move into older people's accommodation have been exempted from this measure.

In developing the procedures to implement this policy, further consideration will be taken to mitigate potential negative impacts arising from the policy.

2.6 Risk management

There are no significant risk management implications arising from this report.

2.7 Crime and disorder

There are no significant crime and disorder implications arising from this report.

2.8 Environment and sustainability

There are no environment and sustainability implications directly arising from this report.

PART 3 - SIGN OFF

- Deputy Chief Executive x
- Head(s) of Service x
- Mayor/Cabinet Member(s) x
- Chief Finance Officer x
- Monitoring Officer x
- Head of Corporate Strategy x