

**These minutes are draft subject to confirmation at the next meeting of the sub-committee**

## **Housing Sub-Committee**

**22 March 2016**

Present: Councillor S Cox (Chair)  
Councillors A Arkle, L Darke, M Madden, P  
Mason, A Newman, M Thirlaway and J Walker

### **HO47/03/16 Apologies**

Apologies for absence were received from Councillors

### **HO48/03/16 Substitute Members**

There were no substitute members appointed.

### **HO49/03/16 Declarations of Interest**

There were no declarations of interest or dispensations reported.

### **HO50/03/16 Minutes**

**Resolved** that the minutes of the meeting held on 22 February 2016 be confirmed and signed by the Chair.

### **HO51/03/16 Lettings Policy – Consultation Response**

Officers from Housing were in attendance to deliver a presentation to the sub-committee regarding the feedback received from the consultation process in relation to the proposed changes to the Lettings Policy. The sub-committee had been consulted on the changes at a meeting in November 2015 and subsequently feedback had also been sought via involved tenants, council staff and a customer and stakeholder survey. Members were reminded that a review of the lettings policy was needed in order to refine parts of the current policy, respond to the wider policy context and align with the strategic direction of the council.

In relation to local connection, the proposal was to strengthen priority for local people by changing the criteria to mean applicants had to be resident in the borough for at least the previous 2 years. The proposal also included changing the way local connection was used in banding applicants. Members were informed that the results of the consultation showed that 84% of respondents were in favour of giving greater priority to housing applicants with a local connection to North Tyneside.

In relation to affordability, the proposed change was to introduce an affordability assessment prior to offering someone a tenancy. Where it was apparent a tenancy would become unaffordable, an offer of accommodation would not be made but work would be done with the applicant to try and maximise their income for future potential offers. Feedback demonstrated that 71% of respondents agreed with this but that several queries were raised as to why it was being introduced, highlighting the lack of awareness around welfare reform changes. Members queried what would happen when assessing financial

viability if the applicant was on a zero hour contract and it was explained that the previous 3 months would be taken as an evidence base for income.

In relation to restricted choice for homeless applicants, a change was proposed so that priority homeless applicants, who would otherwise be ineligible for housing, would be made a direct offer of accommodation rather than bidding on properties. The consultation response was favourable to this suggestion (63% positive), with some comments to ensure that the vulnerability of homeless applicants was considered in the practice of this and that the requirements of the Care Act were met.

A change had been proposed in relation to children in flats which would mean that households living in flats with children under the age of 5 should be recognised within the banding system as having a recognised housing need. This proposed change was down to the difficulties with access to a first floor flat with a pram and the potential health and safety implications. Survey results showed that 68% of respondents were in favour of this change. Negative comments to the change were based on the right to individual choice to live in a flat with children under 5 as some did not view it as unsuitable accommodation. Members of the sub-committee questioned whether the change should be applicable to children under the age of 10 rather than 5, as they felt health and safety would still apply to children aged 6 to 8.

A change had been proposed to make the lettings policy fairer and more transparent in relation to the acceptance of home owners onto the housing register. The change would mean home owners would not be accepted onto the register unless they were at risk of homelessness, in financial hardship or were over 60 moving into older person's accommodation (North Tyneside Living or a bungalow). In such a case, the equity of the applicant must be less than the average price of similar accommodation, which is currently £100,000. The consultation identified that 70% of respondents agreed with this proposal.

As part of the policy review, a change had been proposed in relation to restricting the numbers of refusals an applicant on the housing register could make. The current policy had no restriction on the number of refusals that could be made (with the exception of homeless applicants). The proposal introduced a rule where an applicant's account could be suspended for 3 months if they have rejected 3 offers over a 12 month period. It was explained that the rate of refusals was high (40% of those on the register have rejected more than 1 property) and that this wasted significant officer time and had an impact on void times. Many of the reasons for refusals were based on property type and location, which are clearly set out on the website to view before an applicant applies. It was noted that adding an extra step to the application process, where applicants would be prompted to consider again if they were sure before applying, was being considered.

The results of the consultation showed that 72% of respondents were in favour of the proposed change to restricting refusals. Comments from those respondents not in favour were in relation to freedom of choice and the right to refuse. It was noted that an appeals process would be in place for applicants if they felt there were special circumstances around the reasons for refusing the properties.

It was **agreed** to note the feedback from the consultation process in relation to the review of the Lettings Policy.

## **HO52/03/16 Affordable Homes**

Officers from Housing and Planning were in attendance to present a report which provided an update on the progress of the Affordable Homes Programme. In October 2013, Cabinet

had agreed an ambitious target to increase the pace and scale of the Affordable Homes Programme within North Tyneside through the delivery of 3000 affordable homes over the next 10 years. Appended to the report was the Indicative Affordable Homes Delivery Programme 2014-2024.

The delivery of these 3000 houses would be through new Council housing, as well as delivery through the Authority's strategic and enabling role, working with the Homes and Communities Agency, Registered Providers and developers to meet a range of housing needs including the needs of vulnerable groups. It was explained that the need for affordable housing had been demonstrated by the Strategic Housing Market Assessment 2014, which provided a clear evidence base of the level of housing need within the borough.

Members were informed that significant progress had been achieved this year with an expected 247 new affordable homes programmed to be delivered by the end of the financial year, against the 312 projected. That would bring the total of new affordable homes delivered over the first two years of the Affordable Homes Programme to 512. Anticipated numbers decreased for 2015/16 primarily due to some re-programming on some of the North Tyneside Living schemes and one of the Registered Providers going into administration.

The impact of the Welfare Reform and Work Bill had been analysed and an indicative revised 10 year delivery programme had been developed. It was noted that this was necessary due to the potential introduction of new social rent setting criteria that would require local authorities to reduce social rents by 1% each year (for four years). This reduction had been accounted for within the HRA that provided capital funding for the new build programme. The reduction would also affect the partner Registered Providers and result in a slow down of affordable homes for rent being provided by this sector. Members were informed that even with these changes, the authority was on target to deliver 3,000 new affordable homes with a projected increase of new affordable products including shared ownership and starter homes being delivered by Registered Providers and volume house builders.

Using Housing Revenue Account (HRA) capital funding the authority was set to achieve the target of 99 new affordable homes in 2015/16, which includes 6 apartments and 3 bungalows at Bude Court and the conversion of a former housing office in Whitley Bay into 5 new homes. Progress was also reported on the North Tyneside Living project, which was set to transform the authority's sheltered housing with the refurbishment of 582 homes and the provision of 342 new build homes. The project was on target to complete all construction work by February 2017.

The sub-committee was informed that, in consultation with Adult Social Care and Children's Services, a Market Position Statement for Specialist Housing had been produced to identify the type and number of specialist homes needed in the future within the Borough. In 2015/16 the Authority had continued to deliver the targets within the Market Position Statement. A respite unit and a 4 bed bungalow for Adult Social Care had been completed as part of the HRA development on the Somervyl site in Longbenton. It was anticipated that a further 28 specialist homes would be delivered by Registered Providers in 2016/17.

In October 2013 Cabinet had recognised the contribution that bringing empty properties back into use could make to the overall Affordable Homes Delivery Programme. The Empty Homes target for 2015/16 had been to bring back 5 long term empty properties as affordable homes. This target had been exceeded with 8 properties brought back into use, with 4 of the properties providing affordable homes for 7 tenants as part of the Community Learning Disability Teams Independent Supported Living Scheme.

The sub-committee was informed that, going forward, plans were in place to build on the success of the programme to date, with 2016/17 continuing to see significant numbers of much needed affordable homes delivered in North Tyneside. The indicative delivery programme, attached as Appendix A, demonstrated that a high level of activity was expected to be maintained through the life of the programme. This activity would include the direct delivery by the Council of further Council homes subject to Cabinet agreeing a new three year delivery programme that will see a further 88 new Council homes being built by 2019.

Members asked about the number of affordable homes delivered through new private developments and were informed that applications for sites with homes of 25 or more seek affordable housing based on need. This need had been set at around 25% for some years. Members asked if there was any scope to increase this level. It was highlighted that this would be hard to do at the current time following the process undertaken to put in place the Local Plan, which identified the level at 25%. This figure could be revisited during a review of the local plan, which would probably take place every 5 years. It was noted that the aim was to achieve the target of 25% affordable homes during developments but that the project still had to be viable for the developer. This target may be more difficult for developers to deliver in the future due to new government initiatives, such as starter homes.

The sub-committee discussed the rate at which properties are developed following the granting of planning permission, the perception being that developers get permission but do not begin building until they are able to sell and make a profit. Consequently there is a delay in the delivery of the affordable housing. Members asked how builders could be made to commence developments quicker or give Section 106 money to the authority upfront which could be used to build elsewhere. Officers informed Members that the rate of development within the borough was normal, which was typically 18-24% of all granted planning applications being built throughout a year. Preference was given to taking the affordable units rather than a community sub (section 106 money) upfront as this helped to achieve mixed estates.

A member of the sub-committee asked whether, on a quarterly basis, information could be provided which showed, per developer, the permissions granted, which had been started and how many homes they had built overall throughout the year, including how many of which were affordable. It was noted that it may not be possible to present all this data on a quarterly basis, but it could be presented annually (September). However, quarterly updates could be provided on the number of sites completed and the number of units granted through planning permission.

It was **agreed** to note the information provided in the report and continue to monitor the delivery of the Affordable Homes Programme.