

# North Tyneside Council Report to Cabinet Date: 9 September 2019

## ITEM 5(e)

Title: North Tyneside  
Council's Lettings Policy  
Review

Portfolio(s): Housing

Cabinet Member(s): Councillor Steve  
Cox

Report from Service  
Area:

Environment, Housing and Leisure

Responsible Officer:

Phil Scott, Head of Environment,  
Housing and Leisure

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Wards affected:

All Wards

### PART 1

#### 1.1 Executive Summary:

The Council's Lettings Policy provides the legal allocations framework as to who is accepted onto the housing register, how the register is administered and how the majority of social rented housing in the Borough is let. It is good practice for the Lettings Policy to be reviewed periodically. The last review of this policy took place in 2016.

In 2017 the Homelessness Reduction Act was enacted and provisions become operable from April 2018, which requires changes to be made to the current lettings policy. In addition it is proposed to make three other changes to the current policy due the increasing demand for the Authority's homes and to ensure that those in housing need are prioritised.

Having carried out a full Section 105 Consultation on the proposed changes this report is to seek approval of the reviewed North Tyneside Council's Lettings Policy.

#### 1.2 Recommendation(s)

It is recommended that Cabinet agree the North Tyneside Council Letting's 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 10 June 2019.

#### 1.4 Council Plan and Policy Framework

This report relates to the following priorities in the 2018 - 2020 Our North Tyneside Plan:

**Our People Will:**

Be ready for work and life  
Be cared for, protected and supported  
Be healthy and well

**Our Places Will:**

Offer a good choice of quality housing  
Be great places to live

In addition to Our North Tyneside Plan 2018 - 2020, the Lettings Policy also relates to the following current plans and strategies:-

**North Tyneside Housing Strategy 2016 - 2021**

This Strategy has four strategic objectives, of which preventing homelessness sits within Priority 4: Better Homes, More Independence.

**North Tyneside Homelessness Prevention Strategy 2019 - 2021**

The newly adopted strategy has four priorities, these have been shaped by recent legislative changes, homelessness review, engagement with service providers and service users.

**North Tyneside Tenancy Strategy 2013 - 2018**

The Strategy emphasises the need to make best use of the housing stock to meet local housing need, maintain and create successful, sustainable communities and prevent homelessness.

**North Tyneside Joint Health and Wellbeing Strategy 2013 - 2023**

This Strategy focuses on the health inequalities that exist within the Borough and sets out priorities to address this. The issues faced by many homeless and transient people cut across all five strategic priorities.

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 July 2016.

This review has taken into account:-

**Shrinking Housing Revenue Account (HRA) budget**

- Reduced rents by 1% for 4 years as a consequence of changes made by national government
- The impact on rental income due to the introduction of Universal Credit, rent arrears increased by £594k in 2018/19

## **Reduction in our housing stock**

- Our housing stock has reduced from 32,000 in 1979 to 14,656 at the end of 2018/19. A total of 382 properties have been sold under the Right to Buy scheme since 2016.

## **New legislation**

- The introduction of the Homeless Reduction Act 2017 has put new duties on the Authority as to how to manage homeless applications and prevent homelessness.

## **Ensuring people with housing need are allocated available homes.**

- There are 3,868 applicants registered on the Authority's housing register, with an average of 1,400 homes available a year. Due to the low level of available homes it is important that homes are allocated to those applicants most in need.

### **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
- The Homeless Reduction Act 2017
- 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
- 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, (Appendix 1).

The policy has been drafted in consultation with the Authority's Legal Team 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. There were originally 6 proposed changes but as a result of the feedback only 4 have been taken forward.

## **a) Homeless applicant's choice to bid**

The Homelessness Reduction Act (the Act) commenced in April 2018. The Act places a new duty on local authorities to help prevent the homelessness of all families and single people, regardless of priority need, who are eligible for assistance and threatened with homelessness.

Key measures in the Act include an extension of the period during which an authority should treat someone as threatened with homelessness from 28 to 56 days and a further duty to provide 'relief' from homelessness for 56 days, for example when a homeless applicant is placed in the Authority's temporary accommodation.

Under the current Lettings Policy, when the Authority has a duty to rehouse a homeless applicant, the Authority discharges this duty by awarding a high priority band and allowing homeless applicants to bid for available homes over a 4 week period. This is resulting in households staying longer in temporary accommodation, as the majority tend to wait until the 4<sup>th</sup> week to bid for a home.

The 'relief duty' combined with the 4 week bidding period is resulting in 100% occupation of temporary accommodation, resource availability and impact on vulnerable households.

Within the revised policy it is proposed to remove the right for homeless applicants to bid for homes and for the Authority to make one direct offer of suitable accommodation. Under the Housing Act 1996 the Authority only needs to make one offer of suitable accommodation to discharge its duty to a homeless applicant.

Before making a direct offer, the Authority would need to consider the following:-

- Property eligibility i.e. size and type of home
- Social considerations relating to the applicant and their household, including risk of violence, racial or other harassment in a particular locality
- The suitability of accommodation for households with particular medical and/or physical needs
- The need for support from family where there is a high need

Applicants would have a right to appeal against the suitability of an offer, which will be assessed by a senior officer who has not been involved with the original case.

## **b) Financial Resources**

The current Lettings Policy states:-

Where a housing application is received from an applicant who owns their own home, the applicant will be considered to have the financial resources to meet their own housing need and therefore may not be accepted on to the housing register.

Exceptions to this are:-

- Those at risk of homelessness or who are in financial hardship, as assessed by the Council's Housing Options Team
- Those moving into older people's accommodation, where their equity is less than the average price of a similar type of accommodation (only for North Tyneside Living Accommodation)

- Exceptional circumstances considered

As there is no monetary level set against the above assessment, it is proposed under the revised policy to include a financial assessment of household income (housing applicants only) and savings for eligibility to join the housing register of a maximum of:-

- £50,000 annual household income or above.
- £100,000 or over in savings and/or assets.

Note: The average income in the Borough is £35,000.

By setting a monetary level it allows transparency to applicants, ensures those applicants with housing need secure homes quicker and for officers to make clear decisions on housing application assessments, without any ambiguity. It also prevents someone with unlimited savings securing a council home. These figures will be reviewed annually.

It should be noted that the above levels exclude applicants over the age of 60 who apply for older people's accommodation, where the current level is set at £110,000 for equity and/or savings. This figure is reviewed annually.

### **c) Restricting Transfer Applicants**

The current Lettings Policy treats North Tyneside Council tenants as a housing register applicant. This means that transferring tenants can apply for other available homes straight after transferring to a new home.

It is proposed that those North Tyneside Council tenants that have no housing need will not be eligible for the housing register until they have lived in their tenancy for one year or more and they have proved they have managed the tenancy satisfactorily.

The Authority's Lettings Policy is based around government legislation, giving those with a reasonable preference (a housing need) priority. Once an applicant is rehoused into a North Tyneside tenancy it is seen that their housing need has been met.

By having no restrictions on transferring tenants without a housing need, it has a financial impact on the Authority due to empty homes repair costs.

### **d) Restrictions on Bidding**

In the 2016 review of the Lettings Policy, applicants were prevented from bidding for 3 months if they refused 3 reasonable offers of suitable accommodation. After reviewing the impact of this change it is showing that 3 months is not proving a deterrent on serial bidders and the refusal of homes.

In 2018/19 there were a total of 1,949 refusals of homes (37.48 refusals per week) and 20 applicants were prevented from bidding for 3 months after refusing 3 offers. Sixteen of these applicants re-applied after the 3 months and 44% (7) of those applicants refused a further 3 offers.

It is proposed to increase the restriction on bidding from 3 to 6 months if an applicant refuses 3 reasonable offers of accommodation.

#### **1.5.4 Homeless Reduction Act 2017**

There is a requirement to update the Lettings Policy to reflect the changes in relation to the Homeless Reduction Act 2017 and it is proposed that the following will be included in the revised policy:-

- Prevention Stage - this is where free advice by the Authority is given to prevent homelessness and secure accommodation. Personalised Housing Plans are developed and agreed with the individual. The applicant will be assessed in line with the Lettings Policy;
- Relief Stage - this is where the individual has been relieved of homelessness by being supported to find alternative, suitable accommodation. The applicant will be assessed in line with the Lettings Policy; and
- Anyone who is deemed priority homeless and where the Authority has a duty to rehouse, to be given one direct offer of suitable accommodation

#### **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 the housing register and allocation of the Authority's homes 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 in meeting legislation duties, welfare reforms and managing housing need.

## 1.8 Appendices:-

Appendix 1 - Draft North Tyneside Council's Lettings Policy 2019

Appendix 2 - Consultation Report

Appendix 3 – Equality Impact Assessment (EIA)

## 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

Julia Orton - Housing Implementation Officer, Environment Housing and Leisure. Tel: 643 6202

David Dunford - Senior Manager Financial Planning and Strategy - Senior Business Partner, Finance. Tel: 643 7027

## 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](#)
- [Welfare Reform and Work Bill](#)
- [North Tyneside Homelessness Prevention Strategy 2013 - 2018](#)
- [North Tyneside Housing Strategy 2016 -2021](#)
- [The Homelessness Act 2002](#)
- [The Homelessness Reduction Act 2017](#)
- [The Homelessness Code of Guidance](#)

## 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 (Civica, Housing Register Module) and approximately £5,000 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.

### 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
- The Homeless Reduction Act 2018
- 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 Housing Options Service Development Group and Tenant's Overview Panel.

On 26<sup>th</sup> November 2018, Housing Sub-committee met and received a briefing on the progress of Lettings Policy Review, a further briefing was held on 28<sup>th</sup> January 2019. The Sub-committee gave their feedback on policy proposals and this feedback was incorporated into the review.

A full Section 105 Consultation was carried out to seek the views of tenants impacted on the proposed policy changes. Each North Tyneside Council tenant on the housing register seeking a transfer received a letter summarising the changes and the opportunity to provide feedback. The Lettings Policy consultation ran from 4<sup>th</sup> June 2019 to 13<sup>th</sup> July 2019.

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

- The proposed policy allows for housing applicants to be suspended for a period of six months where they have refused three or more reasonable offers over a 12 month period. The implementation of this proposal will be carefully monitored, including making use of information about protected characteristics and reviewing procedures.
- It is proposed to remove a homeless applicant's choice to bid and make one reasonable offer of suitable accommodation. It is important to consider vulnerable applicant's needs for types of homes and where they are requesting to be rehoused, which need to be suitable to their needs.



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**

- Chief Executive  X
- Head(s) of Service  X
- Mayor/Cabinet Member(s)  X
- Chief Finance Officer  X
- Monitoring Officer  X
- Head of Corporate Strategy and Customer Service  X