

TITLE OF REPORT: **Lettings Policy Review**

REPORT OF: **Paul Dowling, Strategic Director, Communities and Environment**

Purpose of the Report

1. To propose changes to the lettings policy to improve accessibility for customers and support the sustainability of the Housing Revenue Account.

Background

2. Housing, Economic and Welfare Reform have resulted in a need to revisit the Gateshead Lettings Policy to ensure that it reflects the needs of our communities and supports the sustainability of the Housing Revenue Account business plan.
3. The Housing and Planning Act 2016 has recently been introduced; and as a consequence a two stage lettings policy review was agreed by Cabinet on 19 January to ensure compliance and necessary change is made in a timely manner.
4. A further set of lettings policy changes may be required once guidance for the Act has been published later in the year.
5. Various areas of identified potential change have been considered and options have been debated within two advisory groups. The feedback from these groups has been used as a framework to create recommendations for change with a measured approach to risk, housing need, as well as financial and administrative implications.

Proposal

6. To amend the Lettings Policy as highlighted in appendix 1 to ensure that the Council is maximising the potential to have the highest number of residential homes generating a rental income and to reword some parts of the policy to give more clarity and reduce room for misinterpretation.

Recommendations

7. The Cabinet is asked to recommend the Council to approve:
 - (i) The revised policy at appendix 2.
 - (ii) The review of the Lettings Policy is continued with a second report to be presented to Cabinet outlining changes necessary to address the implications of the Housing Planning Act 2016, once regulatory guidance has been released in the autumn.

For the following reasons:

- (i) To maximise income potential from Council housing stock
- (ii) To provide greater clarity and guidance for officers
- (iii) To ensure that the Council is compliant with the Housing Planning Act 2016

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APPENDIX 1

Policy Context

1. The proposals are consistent with Vision 2030, the Sustainable Community Strategy for Gateshead and in particular support the 'Sustainable Gateshead' Big Idea. The proposals also support the achievement of Council Plan priorities.

Background

2. A report was presented to the Cabinet on 19 January 2016 describing the need and influencing factors of carrying out a review of the Lettings Policy.
3. The scope of the review was agreed by Cabinet, including the use of Advisory Groups to gain views from councillors with regard to the extent and nature of the change required.
4. Two advisory groups were held on 26 February and 23 March (appendix 3 and 4). In the first session potential areas of policy change were presented to councillors for consideration and debate; councillors identified areas of policy that they wished to explore further, resulting in additional information being presented in March.
5. Developing the proposals over two phases was supported, allowing more time for regulatory guidance to be produced and more consideration to be given to more complicated areas of potential change.
6. The changes that were supported, have been developed in a balanced framework taking into account the need to increase the use of council housing but at the same time supporting and improving the stability of Gateshead's neighbourhoods, communities and existing tenancies.
7. Increasing access to properties by changing age criteria has been a fundamental part of the review; some aspects of this potential change are challenging and require further consideration and preparation. Specifically the older people's accommodation (sheltered housing and bungalows) has been left to phase two of the change proposals and will be presented in a later report. This will enable further consideration of the wider implications of changes to age criteria

Proposals to change the eligibility for transfer between council tenancies

8. Effective management of transfers can reduce void costs and rent loss; it is therefore proposed that, where no emerging housing need has occurred, a qualifying tenancy period of 1 year (from commencement of tenancy) for council tenants will be applied before applications for transfer will be accepted. Households whose need has changed or escalated within the first year of their new tenancy will be recognised and assisted.
9. Approval for council tenants to register for a transfer will be subject to a home visit to ensure lettable standards have been maintained.

Increasing sustainability

10. Increasing sustainability of tenancies reduces the levels of property turn over and promotes efficiencies. Proposed changes will assist with this agenda.
11. Offers will only be made to applicants able to demonstrate that they can afford to sustain a tenancy. This will reduce the number of failing and abandoned tenancies and improve outcomes for vulnerable people. A separate process will be established (outside of policy) to enable this assessment to be carried out fairly and consistently.
12. Demoted applicants (with low levels of debt or Anti-Social Behaviour (ASB)) will need to demonstrate that they can manage their account and behaviour to achieve appropriate standards before being able to move. This will also apply to new or returning tenants.
13. To avoid tenancies being terminated or properties abandoned; a “substantial” priority award will be applied to victims of long term, low level unresolved ASB where there is insufficient evidence to take action against the perpetrators. This will also apply to long term neighbour disputes that cannot be resolved.
14. The “Sensitive lets” section of the current policy will be replaced by a policy prohibiting people who have a history of ASB and crime being allocated an address where neighbours have suffered from previous residents. It will also include an element of policy to prevent people who have a history of criminal or antisocial behaviour from accessing properties where they are likely to reoffend, be targeted or put the community at risk.
15. Support will be given and individual circumstances taken into account in all of the above situations.

Increasing eligibility

16. Increasing eligibility will promote opportunities to let properties, as more households will be able to bid for a wider range of accommodation.
17. Proposed policy changes will enable families with children to move into flats, with the exception of multi-storey blocks. The ability to revoke this for particular blocks of flats will be retained where need is evident. New awards of priority will no longer be given to transfer applicants with children in this type of property (although existing awards will be honoured).

Simplification of policy

18. The wording of the overcrowding criteria is changed within the proposed changes. The underlying principles will remain the same.
19. Where the Council has confirmed that a larger home will be needed on a long term basis for a Gateshead foster carer, an overcrowding priority will be awarded.

20. The new policy includes an amendment of the “substantial” housing award, which is currently given on the grounds of financial hardship due to under occupation. The new policy recognises wider causes of uncontrollable financial change.
21. It is proposed to allow “like for like” moves on a permanent basis for those council tenants who are relocated for repair issues.

Review timetables

22. Applicants are able to request reviews and appeals relating to various aspects of policy decision. Over recent years the timelines applied to responding to these requests has become unreasonable. Following legal consultation it is proposed to extend these times and bring them in line with legal guidance (40 working days). This aspect of change was not discussed within the Advisory group but is not considered contentious and will not impact negatively upon applicants.

Consultation

23. The Cabinet Members for Housing and the Policy advisory group have been consulted and are supportive of the proposals.
24. The Gateshead Housing Company has been consulted and is supportive of the proposals.

Alternative Options

25. There are no alternative options identified at this time. Complementary work to assist in respect to maximising the potential for the HRA is being carried out in tandem to this proposal.

Implications of Recommended Option

26. **Resources:**
 - a) **Financial Implications** – the Strategic Director, Corporate Resources confirms that the proposal seeks to increase accessibility to Council housing and so will create the capacity to increase rental income. There will also be the potential of increased efficiencies from a reduction in stock turnover.
 - b) **Human Resources Implications** - there are no direct Human Resource implications attached to the proposal. Increased income into the HRA may safeguard budgets underpinning salary costs for the future.
 - c) **Property Implications** - the proposal seeks to maximise income to the HRA which is the financial source for works to council homes.
27. **Risk Management Implication** - the proposal seeks to reduce financial risk to the Council and risks relating to vacant properties, which may have a negative effect upon communities and neighbourhoods.
28. **Equality and Diversity Implications** - any changes to the Lettings Policy are likely to result in a more inclusive policy.

29. **Crime and Disorder Implications** - there are no direct implications however full consideration will be given via more in depth consultation should any policy changes be identified and will be subject to future reports to Cabinet.
30. **Health Implications** - there are no direct implications relating to the review. Any recommendations arising from the review will be subject to future reports to Cabinet.
31. **Sustainability Implications** - the review will consider sustainability of neighbourhoods and communities alongside the financial aspects affected.
32. **Human Rights Implications** - there are no negative Human Rights implications relating to the review.
33. **Area and Ward Implications** - the review may result in recommendations for policy change that will have the potential to affect wards; such recommendations will be subject to full consultation and subsequent Cabinet approval.