

	<h2 style="text-align: center;">Housing Committee</h2> <h3 style="text-align: center;">21 June 2018</h3>
Title	Local Lettings Policy
Report of	Chairman of the Housing Committee
Wards	All
Status	Public
Urgent	No
Key	Key
Enclosures	Appendix 1: Consultation Report Appendix 2: Housing Allocation Policy
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Summary

In June 2017 the Housing Committee agreed to consult on the introduction of a Local Lettings Policy in Barnet. Following a positive outcome from the consultation, with 71% of respondents in agreement (Appendix 1), this report recommends amending the Housing Allocation Policy (Appendix 2, Paragraph 4.12) whereby existing Council tenants with an established housing need under the Council's Housing Allocations Scheme (in Band 1 or Band 2) are given priority for new-build properties on in-fill developments on their estate. This approach will benefit existing residents of estates whose existing homes would become available for reallocation without disadvantaging others in housing need or increasing the homelessness cost pressures for the Council.

Recommendations

1. That the proposed amendment to the Housing Allocations Scheme be approved as appended in Appendix 1, Paragraph 4.12.

2. That the findings of the consultation report be noted.

1. WHY THIS REPORT IS NEEDED

- 1.1 The purpose of this report is to note the outcome of the consultation on introducing a local lettings approach in Barnet and to agree to amending the Housing Allocations Policy (Appendix 2, Paragraph 4.12) to allocate a proportion of new build housing stock through this mechanism.
- 1.2 The Council and The Barnet Group are committed to ensuring that its new homes are meeting the needs of the local community. Currently all properties, including new build, are allocated through the Council's Housing Allocations Scheme, which prioritises customers based on their assessed housing needs using a priority banding system (where Band 1 and Band 2 are the highest priority rehousing bands). There is a provision in the Council's Housing Allocations Scheme to apply "*special allocations arrangements in respect of properties available for letting on new build developments*". However, this provision is not sufficiently detailed to be an effective mechanism for prioritising local people for new developments.
- 1.3 Local Lettings Policies have been used to address a wide range of issues related to housing management needs and wider public policy concerns. These issues include: creating balanced and mixed communities; improving community stability and cohesion; protecting existing stable communities; tackling low-demand areas and difficult-to-let estates; preventing future problems occurring in newly developed estates or in relation to recently modernised properties; reducing the incidence of anti-social behaviour. In London they have been used to benefit existing Council tenants with an established need to move where in-fill developments have taken place on their estate.
- 1.5 The Barnet Group has started a programme of affordable housing development, and it is important that the introduction of a local lettings policy approach for new-build development is considered. The absence of a local lettings policy in Barnet entails a risk that both community well-being and cohesion could be negatively impacted by new households moving into new-build properties on existing estates, especially if there is a perception amongst existing residents that the new households have 'taken' new-build properties that could have been allocated to local residents.
- 1.6 Adopting a local lettings policy for new build 'in-fill' developments on existing estates would help encourage the engagement of local residents and their support for such projects. It would also promote family and community well-

being as local residents could continue to maintain links with their established community and retain their support network.

2. REASONS FOR RECOMMENDATIONS

- 2.1 A Local Lettings Policy (LLP) uses flexibilities within Council Housing Allocation Schemes/ Policies to allocate a proportion of housing stock through special arrangements. These special arrangements prioritise local tenants for properties in specific developments or areas – according to the particular needs of those developments or areas. LLPs are often used by Councils to prioritise existing Council tenants with a housing need for new homes on in-fill development sites on their estate. Over the next three years, The Barnet Group – through its new Registered Provider Opendoor Homes – will develop 330 new homes on existing Council land and a large number of these properties will be delivered through in-fill development sites on existing Council estates.
- 2.2 Introducing a local lettings approach in Barnet which prioritises Council tenants who have a housing need under the Housing Allocations Scheme for some of the new-build properties on in-fill developments on their estate will not only help to meet the needs of these residents, but will also free up their former properties to benefit those customers assessed as having the greatest housing need.
- 2.3 The suggested approach to a local lettings policy in Barnet is that existing secure tenants living on an estate are prioritised for new homes being built on their estate, where they have an assessed housing need within Band 1 or Band 2 of the council's Housing Allocations Scheme.
- 2.4 The Council would retain the right to override the local lettings policy where there is an identified housing need that could not readily be met elsewhere, for example to rehouse someone with wheelchair accessible requirements.
- 2.5 To minimise void works costs existing tenants will be required to leave their previous home in a standard where it can be let to another household immediately (including providing access before they leave so that works can be completed).
- 2.6 Existing Council tenants who move to a new-build property will keep their security of tenure¹ but will pay rent at an affordable rent level (65% of average market rent value) rather than social rent. It is worth noting that when an existing Council tenant transfers into a housing association property, the housing association property's rent is also set at affordable rent levels.

¹ Note that the Council will be required to use fixed term tenancies for new Council tenants subject to regulations to be published by the Secretary of State following the enactment of the Housing and Planning Act 2016.

- 2.7 A review of the local lettings approach of other Councils has identified that it is not necessary to develop a separate Local Lettings Policy. Instead, changes can be made to the existing Council Housing Allocations Scheme, specifying the circumstances in which a special allocations arrangement could be made and the eligibility criteria for such an arrangement.
- 2.8 Consequently, the Council has amended the Housing Allocation Scheme (Appendix 1, Paragraph 4.12) with the following change:

“Special allocation arrangements may apply in respect of properties available for letting on new-build developments. The Council has a Local Letting Policy whereby existing Council tenants with an established housing need under the Council’s Allocations Scheme (in Band 1 or Band 2) whose existing home would become available for reallocation are given priority for new-build properties on in-fill developments on their estate.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 Given the significant level of established housing need in Barnet (with 2,639 households in a form of Temporary Accommodation, December 2017) it would not be appropriate to take a local lettings approach for other family members whom have lived with residents on an estate for the past 12 months or more. Allowing family members or ‘homeless from home’ applicants to move into a new property without freeing up the former property would reduce the properties available to be allocated to customers who have a housing need that do not live on the estate and impact on our ability to house applicants whom have a housing need. Such an approach could also potentially generate increased demand through parental and familial evictions.
- 3.2 Not introducing an LLP is a viable option – particularly if the local lettings approach adopted impeded the Council’s ability to house applicants whom have a housing need and to move applicants on from expensive temporary accommodation. However, introducing an LLP that fits the borough’s housing context can mitigate these issues and can produce positive results – including the reallocation of existing social housing and increased levels of buy-in from local communities affected by in-fill development.

4. POST DECISION IMPLEMENTATION

- 4.1 The revised Housing Allocations Scheme will be published and implemented as soon as possible following approval.

- 4.2 Barnet Homes and Opendoor Homes will introduce a procedure to ensure that Council tenants with an established housing need in Bands 1 or 2 are prioritised for new properties on in-fill developments on their estate.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 The Council's Corporate Plan 2015-20 states that the Council, working with local, regional and national partners, will strive to ensure that Barnet is a place:

- Of opportunity, where people can further their quality of life;
- Where people are helped to help themselves, recognising that prevention is better than cure;
- Where responsibility is shared, fairly;
- Where services are delivered efficiently to get value for money for the taxpayer.

- 5.1.2 The highest priority of the Council's Housing Strategy is increasing the supply of housing with the population of Barnet forecast to increase by 19% over the next 25 years.

- 5.1.3 Barnet's Health and Wellbeing Strategy recognises the importance of access to good quality housing in maintaining Well-Being in the Community.

- 5.1.4 Lack of affordable housing is highlighted in Barnet's Joint Strategic Needs Assessment (JSNA) as one of the top three concerns identified by local residents in the Residents' Perception Survey.

- 5.1.5 The impact of a local lettings approach will be reviewed on an annual basis by Barnet Council and Barnet Homes as part of an annual review of the impact of the Council's Housing Allocations Scheme.

5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

- 5.2.1 A local lettings policy has some financial implications as there will be costs associated with re-letting the homes freed up by Council tenants who move into new properties on their estate. These will include the cost of voids works and safety checks required to re-let the home at a suitable standard and incentive payments made to tenants who have moved to a smaller property (via the Barnet Homes 'Fresh Start Scheme')². Voids works costs should be minimised by the requirement of the outgoing tenant to leave their property in a condition that is 'ready to let'. This approach would also help minimise turnaround times for empty properties.

² The Barnet Homes Fresh Start Scheme helps secure tenants (both Council and housing association tenants) to downsize to a smaller property within the London Borough of Barnet in exchange for an incentive payment. The incentive payment varies depending on the size of property that is freed up by the tenant downsizing.

- 5.2.2 Should the LLP approach put forward in this report be implemented, there are potential financial benefits for the Council. This includes increased rent collection and reduced use of Discretionary Housing Payment monies (which could then be used to assist other Barnet residents) where existing tenants that move to new properties on their estate were under occupying their previous home and affected by the Government's removal of the spare room subsidy.
- 5.2.3 As existing Council tenants will only be prioritised for a new home on their estate in cases where their previous home will become empty and available for allocation to another household in housing need, the same number of homes will still be available to a wider group of residents in housing need. This means that the Council will still benefit financially when new homes are allocated to those in housing need who have been living in expensive forms of temporary accommodation.
- 5.2.4 As outlined in the risks section below, the adoption of a local lettings policy approach for in-fill developments could result in legal challenge from those others in housing need who have not been allocated the homes because existing Council tenants on the estates have been prioritised for the properties ahead of them. Legal challenge would bring associated costs.

5.3 Social Value

- 5.3.1 Social value is central to a local lettings approach. By prioritising local people whom have a housing need, a local lettings approach can contribute to the sustainability of a community. A local lettings approach recognises that by helping residents to remain within the area, residents can continue to make a community contribution through their employment and volunteering, and can continue to use local shops and services or provide on-going support to family members.

5.4 Legal and Constitutional References

- 5.4.1 The Council's Constitution (Article 7 –Committees, Forums, Working Groups and Partnerships) sets out the terms of reference of the Housing Committee. This includes
- Responsibility for housing matters including housing strategy, homelessness, social housing and housing grants, commissioning of environmental health functions for private sector housing.
 - To submit to the Policy and Resources Committee proposals relating to the Committee's budget for the following year in accordance with the budget timetable.
 - To make recommendations to Policy and Resources Committee on issues relating to the budget for the Committee, including virements or underspends and overspends on the budget. No decisions which result in amendments to the agreed budget may be made by the Committee unless and until the amendment has been agreed by Policy and Resources Committee.
 - To determine fees and charges for services which are the responsibility of the committee.

- 5.4.2 The Housing Committee is responsible for reviewing and signing off amendments to the Council's Housing Allocations Scheme. Having carried out a full consultation and Equality Impact Assessment on the adoption of an LLP, approving or rejecting the inclusion of a local lettings approach within a revised Housing Allocations Scheme will be the responsibility of the Housing Committee.

5.5 Risk Management

- 5.5.1 From time to time the Council has to review the Housing Allocations Scheme in response to legislative changes and court judgements, and to continually ensure that the scheme is as accessible and robust as possible. These changes ensure that the scheme remains legally compliant.

5.6 Equalities and Diversity

- 5.6.1 It is important that any equalities implications are carefully considered. An Equalities Impact Assessment has been completed to evaluate the likely impact of introducing a local lettings approach within the Housing Allocations Scheme.
- 5.6.2 It is known that the diversity profile of existing Council tenants differs to the profile of homeless households living in temporary accommodation. For example, the proportions of BME and younger people are higher in temporary accommodation compared to existing council tenants. If only existing Council tenants were expected to benefit from the introduction of local lettings policies, certain groups of customers (particularly those who have an assessed housing need under the Council's Housing Allocations Scheme and live in temporary accommodation) would be adversely affected by its introduction. However, as the recommended approach would allow other properties to be freed up for reallocation, a wider group of customers who have been assessed as having a housing need under the Council's Housing Allocations Scheme would still benefit.
- 5.6.3 Some groups of Council tenants who have been assessed as having a need to move may benefit from the adoption of local lettings policies because their specific housing needs can be incorporated into the development plans for the new homes on their estate. For example, a Council tenant with specific health needs who needs to move home for medical reasons (such as more accessible accommodation) but also needs to remain in the same area is likely to have their specific needs met far sooner than waiting to be rehoused through the normal housing allocation route.
- 5.6.4 A review of the numbers of existing Council tenants that would benefit from a local lettings policy showed that only a small proportion would potentially move to a new home on their estate. This means it is highly likely that a wider group of customers with an established housing need would be allocated new-build properties on developments where a local lettings policy is in place. Discretion within the Council's Housing Allocations Scheme can be exercised where new properties designed to benefit particular groups of customers, such as

wheelchair accessible properties, to ensure that these properties go to customers who need them most.

- 5.6.5 An Equality Impact Assessment (EIA) was undertaken as part of this review. The 9 protected characteristics were considered and there is no evidence to indicate that individuals who identify as having a protected characteristic would be adversely impacted by the introduction of a Local Lettings Policy. In January 2017 only 3% of households would qualify for the proposed Local Lettings Policy (LLP) – 85 households out of a total of 2,856. The likely number of households who would be able to move through a LPP is much lower because it is dependent on the locality of the new properties being built and if they match the housing need of the household.

5.7 Corporate Parenting

- 5.7.1 The Council has developed a joint protocol between the Housing Options and Children's Care Leavers Service called 'Onwards and Upwards' to ensure that all eligible and relevant care leavers are placed in suitable accommodation when leaving care to fulfil our corporate parenting duties and allow a successful transition to independent living; to ensure that young people have a realistic expectation of what their housing options are when they leave care; and to reduce homelessness through developing young people's skills and having the right support in place to maintain their tenancies. The provision of discretionary funds for care leavers has also been improved to reduce the risk of homelessness and poor outcomes to those leaving care. In addition, the council has a joint protocol in place with Barnet Homes for responding to homelessness in 16-17 year olds, ensuring they are safe from harm and have somewhere to stay with an appropriate level of support whilst their needs are being assessed. There is a Youth Mediation Coordinator in place to support this process. Where possible, the aim is for children to stay at home if it is safe to do so – if a statutory assessment of needs is not required then consent will be sought to refer to the Multi Agency Safeguarding Hub (MASH) to enable early help options to be explored.

5.8 Consultation and Engagement

- 5.8.1 An 8 week consultation on the introduction of a Local Lettings Policy approach was carried out between the 16th October and the 8th December 2017 (Appendix 2).
- 5.8.2 The consultation was carried out through the engage Barnet website and Tenant and Resident Associations, the Community and Voluntary Sector in Barnet and Registered Providers were all directly contacted alerting them to the consultation. Housing applicants, households in temporary accommodation, Barnet residents and visitors to Barnet House were also made aware of the

consultation.

5.8.3 A total of 86 responses were received. A summary of the consultation results (which can be found in more detail in Appendix 2) were as follows:

- 71% of respondents supported the introduction of an LLP that gave council tenants priority for new homes on in-fill developments on their estate.
- 70% of respondents agreed that letting homes through an LLP approach on infill sites was an effective way for the council to better meet local housing need.
- 67% of respondents agreed that an LLP should only be made available to tenants placed in Band 1 and Band 2.

5.8.4 A profile of the respondents to the consultation was as follows:

- 66% of responses were from Barnet Residents, with a further 18% from Housing Associations. The remainder were from voluntary/community organisations, public sector and other.
- 25% of responses were from households living in the private rented sector, with 23% from households renting from the council, 23% owners with a mortgage, 20% owned outright and 5% of households living in housing association accommodation.
- 39% of respondents were aged 35-54, 30% aged 18-34 and 27.5% aged 55+.
- 62.5% of respondents were female and 35% male
- 66% of respondents were White, 10% Asian, 5% Black and 12.5% Mixed and Other.
- 9% of respondents identified as having some form of disability with the largest category focussing on mobility/physical co-ordination and then hearing.

5.8.5 Furthermore where potential in-fill sites are identified, consultation with existing residents of the estate takes place as part of the planning process. So far, the consultation feedback has not referenced a desire for properties on the new development to be reserved for existing residents. However, this area has not previously formed a focus of the consultation exercises. An expected benefit of introducing local lettings policies is that it will improve relations with existing local residents and encourage engagement and support from them for the new development.

5.9 Insight

5.9.1 The Council's Housing Strategy, which identifies the need for new affordable homes, is supported by a comprehensive evidence base, including a Housing Needs Assessment and a study of affordability carried out by the Council's insight team.

5.9.2 To help establish whether the introduction of a local lettings policy would benefit Council tenants who are currently living on estates that have been identified as

potential new-build in-fill development sites, the housing needs of the Council tenants living on the four estates with the largest development potential have been reviewed. The table below shows the number of Council tenants living on these four estates who have either been assessed as having a need to 'transfer' to another home under the Council's Housing Allocations Scheme (because of a need to move to a smaller property, larger property or property that better meets the health needs of the household) or are under occupying their existing home and affected by Government's removal of the spare room subsidy³. The table also shows the size of the home that these tenants need to move to, as well as the number and size of homes that have been suggested for new development on each estate.

- 5.9.3 This review identified that a total of 21 existing Council tenants potentially have a need to move home and that at least seven of these tenants (highlighted in green) could benefit from a local lettings policy approach if the in-fill development was to deliver the types of homes expected⁴. The types of homes to be developed on the Prospect Ring estate, where there are currently six tenants who have a need to move (highlighted in yellow), have not yet been specified and the remaining eight tenants (highlighted in red) would not have their housing need met by the types of properties that are currently planned to be developed.

Table 2: Council tenants that may qualify for new-build properties on four estates where new homes are planned through in-fill development

³ Of the 17 Council tenants under occupying their property and affected by the removal of the spare room subsidy, currently nine have rent arrears (and all rent arrears are under £500) and eight are in credit on their rent account. None of these tenants are currently in receipt of a Discretionary Housing Payment.

Estate (expected homes)	Type of tenant	Total	Type of property needed				
			1 bed	2 bed	3 bed	4 bed	5 bed
Basing Way (57 x 2 bed)	Transfer cases	2	1	0	0	0	1
	Under occupiers	6	6	0	0	0	0
	Total	8	7	0	0	0	1
North Road (10 x 1 bed 26 x 2 bed)	Transfer cases	0	0	0	0	0	0
	Under occupiers	4	3	1	0	0	0
	Total	4	3	1	0	0	0
Prospect Ring (34 size TBC)	Transfer cases	1	0	0	0	1	0
	Under occupiers	5	5	0	0	0	0
	Total	6	5	0	0	1	0
Sheaveshill Court (16 x 1 bed, 8 x 2 bed, 10 x 3 bed)	Transfer cases	1	0	1	0	0	0
	Under occupiers	2	1	1	0	0	0
	Total	3	1	2	0	0	0
All	Transfer cases	4	1	1	0	1	1
	Under occupiers	17	15	2	0	0	0
	Grand total	21	16	3	0	1	1
Expected units	Total	127	26	91	10	0	0

6 BACKGROUND PAPERS

- Housing Committee, 26 June 2017, 'Introducing a Local Lettings Policy in Barnet'
<http://barnet.moderngov.co.uk/documents/s40394/Introducing%20a%20Local%20Lettings%20Policy%20in%20Barnet.pdf> "That the findings of the consultation and EIA be brought back to the Housing Committee with a recommendation as to whether to adopt the LLP approach and an amended Housing Allocation Scheme as appropriate."
- Barnet Council Housing Allocations Scheme, reviewed August 2017
<https://www.barnet.gov.uk/citizen-home/housing-and-community/council-housing.html>
- Housing Committee, 27 June 2016, 'Agenda and draft minutes'
<https://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=699&MId=8628&Ver=4> "It was resolved that Councillor Houston's request for the Housing Committee to consider introducing a local lettings policy be agreed."