

**These minutes are draft subject to change at a future meeting of the sub-committee**

## **Housing Sub-Committee**

**28 January 2019**

Present: Councillor A Newman (Chair)  
Councillors K Bolger, L Darke, John Hunter, J  
Kirwin, P Mason, P Oliver, A Percy, S Phillips,  
M Thirlaway and J Walker

Also in attendance Councillor S Cox, Cabinet Member for Housing

### **HO19/01/19 Apologies**

Apologies for absence were received from Councillor M Reynolds.

### **HO20/01/19 Substitute Members**

There were no substitute Members reported.

### **HO21/01/19 Declarations of Interest**

There were no declarations of interest reported.

### **HO22/01/19 Minutes**

It was **agreed** that the minutes of the meeting on 26 November 2018 be confirmed and signed by the Chair.

### **HO23/01/19 Lettings Policy**

Officers were in attendance to deliver a presentation setting out the proposed changes to the Lettings Policy. This item had been considered by the sub-committee at its previous meeting and due to concerns held by Members it was requested that the item be given further consideration at a future meeting. The presentation detailed some changes made to proposals since the previous meeting and further explanation and background as to why the proposals were being made.

The sub-committee was reminded of the reasons why the Lettings Policy was being reviewed. These included the need to best use existing stock, ensuring that people were living in accommodation most suitable for their needs and to let homes effectively and efficiently. Pressure had been placed on the budget from the requirement to reduce rents by 1% for 4 years and rental income had become a challenge to collect following the roll out of Universal Credit.

The proposed changes to the Lettings Policy fell under the following areas: Choice of Offer; Responsible Tenants; Homelessness; Financial Resources; Transfers; Restricting Transfers; Accepting Offers; Restrictions on bidding and non-bidders. Since the previous meeting in November 2018 where the proposed changes were presented, further work had been undertaken in relation to choice of offer and responsible tenants and it had been decided not to pursue any changes in these areas.

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In relation to Homelessness, the current policy allowed an applicant 4 weeks to bid where the Authority had a duty to rehouse. The proposed change was to remove a homeless applicant's choice to bid and make one reasonable offer of suitable accommodation. It was explained that the Authority had 25 units of temporary accommodation with 100% occupation. The duties under the Homeless Reduction Act had meant an increase in the use of temporary accommodation. There had been 65 households placed in temporary accommodation and 45 households placed in B&Bs between April 2018 and January 2019; with an average stay of 99 days. It was noted that 50% of those in temporary accommodation did not bid for homes until the 4<sup>th</sup> week. This meant that if they were successful in the 4<sup>th</sup> week, it could take at least another 8 weeks before moving in. Allowing applicants time to bid was creating a backlog in temporary accommodation.

Determining whether accommodation was suitable for each household included an assessment of the size and type of home, social considerations including the risk of violence or harassment, medical and/or physical needs and family support requirements where there was a high need. It was highlighted that applicants had the right to appeal against the suitability of an offer, which would be assessed by an independent person. A member of the sub-committee asked whether oversight was given to the location of the properties that were let as a direct offer to make sure that they were not concentrated in the same localities within the borough. It was explained that the authority would try to place the applicant where they wanted to live but that in some instances that would not be possible. In 2017/18 44 direct offers were made and no issues had been reported as a result.

The sub-committee had previously raised concerns that one direct offer took away the element of choice from applicants and these concerns remained. It was also felt that the direct offer would only reduce the time spent in temporary accommodation by around 3 weeks, as there would still be the time for a tenant to serve notice on a property and to go through the empty homes process before the property would be ready. Concerns were raised that to cut down this time direct offers would only be made on vacant properties that were hard to let. Officers assured that the team had the customers' best interests at heart when considering a reasonable direct offer and that there was no suggestion that these would only be in a particular area. The move to one reasonable direct offer would be in line with the practice of many other organisations.

In relation to financial resources, the Lettings Policy stated that where a housing application was received from an applicant who owned their own home, the applicant would be considered to have the financial resources to meet their own housing need and therefore may not be accepted on to the housing register. There were exceptions to this and exceptional circumstances would be considered. At the previous meeting it had been proposed that owner occupiers over the age of 60 would be allowed on the register if they had equity of £140,000 or less. This proposal had been changed, following further assessment of the value of properties on the market, to lower the threshold level to £110,000.

It was proposed to include within the Lettings Policy a financial assessment level (excluding offers for older persons accommodation) of: £50,000 annual household income or above or £100,000 or over in savings. Any applicant that met either of these thresholds would be restricted from joining the register as they could afford to privately rent or purchase their own home. Setting a figure was transparent and allowed staff to make a clear decision when completing a financial assessment. It was explained that the means test would require wage slips over a certain period of time and that whilst this was an increase in workload, properties needed to be prioritised for those most in need.

In relation to restricting transfers, the current policy treated North Tyneside Council tenants as a housing register applicant. The proposal was that tenants with no housing need would

not be eligible for the housing register until they had lived in their tenancy for 5 years or more. This had been proposed as once an applicant was rehoused by the Authority it was seen as their housing needs having been met. Transferring tenants had a financial impact. Exceptions to the restrictions of transfers included those who were under occupying their homes and tenants fleeing domestic violence. Members of the sub-committee expressed concerns over this proposal, feeling that it stigmatised those in social housing and reduced social aspirations. Whilst it was appreciated that there was a financial aspect to transfers, it was felt that tenants were customers and it was unfair to say they could not transfer properties as this impacted on other aspects of life, i.e. where they could send their children to school. It was suggested that the proposed requirement to have held a tenancy for 5 years was too long and that 12 months would be more reasonable. Officers explained that social mobility had been considered but that some tenants were transferring with no need and this had a significant resource implication. It was noted that tenants would still be able to pursue a mutual exchange and that this would be promoted to allow social mobility.

Within the current Lettings Policy, where an offer was made, the applicant would be given 48 hours to accept. The proposal was to reduce the time an applicant has to make a decision after viewing a property to 24 hours. The policy would also be changed to clarify wording to prevent ambiguity as to when the 24 hours would begin. The basis for the proposal was that the applicant had made an informed choice to bid for the home and that applicants had a considerable amount of time (up to 8 weeks) before the viewing to consider the area. Reducing the timeframe would allow homes to be let quicker, especially where homes were refused a number of times.

Members were concerned that the reduction in time would not allow applicants to properly consider the property and that people would feel pressured into accepting. Issues were also raised in relation to repairs and examples of where tenants have viewed homes and work has been incomplete. It was noted that if an applicant had concerns about any repairs in a property during the viewing, a works order would be put through to get the work complete. It was also noted that property state was not one of the top 3 reasons given for refusing a home. Within the last year there had been 1,985 refusals and by giving 48 hours to decide, there was an extra day's rent loss from all of those refusals. It was suggested by members that a reduced timeframe might increase the number of refusals as people would feel rushed into making a decision.

In relation to restrictions on bidding, the current policy stated that if an applicant refused 3 reasonable offers of suitable accommodation, they would be prevented from bidding for a period of 3 months. The proposal was to lengthen the time of this suspension to 6 months. The proposal had been made due to the administrative costs (amounting to an annual cost of £67,184) associated with applicants refusing a property they had bid on. Over a 6 month period 20 applicants had been prevented from bidding after refusing 3 reasonable offers. Of these 20, 16 reapplied after the 3 month ban. It was felt by officers that the 3 months was not proving much of a deterrent.

A member of the sub-committee asked how many of those that had been suspended carried on to reject reasonable offers once they had reapplied for the register. This data was not available and therefore it was questioned whether there was any evidence that the 3 month suspension was acting as a deterrent. Members also thought that the number of people suspended for rejecting properties was not high enough to justify extending the suspension period.

The final proposal presented to the sub-committee was that housing register applicants would have their application closed if they had not made a bid in a 12 month period. There were currently 3,868 applicants on the North Tyneside Councils housing register. In the

past 12 months 30% (1,133) of applicants had not bid on any homes available and had never bid since being registered. The figures questioned whether those applicants were in housing need. The sub-committee highlighted that there needed to be assurances that applicants could be re-registered quickly if their circumstances changed and they needed to apply for housing.

Officers explained the next steps in the review of and approval of the proposed changes to the Lettings Policy. It was noted that consultation was on going with Members, staff, external stakeholders, service development groups, tenants and applicants. All consultation feedback was due by March 2019. Final proposals would then be taken to Cabinet for consideration and any necessary changes to ICT would need to be made before the revised policy could be implemented. Members sought assurance that the views put forward by the sub-committee would be taken into account when agreeing the final proposals. The sub-committee was reminded that the role of scrutiny was to influence decision makers in the shaping of policy and that the comments made would be fed into that process. The Cabinet Member for Housing had been in attendance to hear this discussion and this would be followed up with a written summary of the sub-committees views on the proposed changes, requesting that consideration be given to concerns and that elements of the proposals be looked at again.

Members asked if it would be possible for the final proposed changes, following the consultation from all groups, to be brought back to the sub-committee. It was explained that the next step in the process would be for the proposed policy changes to go through the Cabinet process. There was a tight timescale for this and as the sub-committee had already considered the proposals twice, it would not be normal practice to bring the item back. Members felt that it was an important issue that should be subject to extensive scrutiny and that, if possible, the final proposed changes should be brought to the first meeting of the new municipal year.

The Chair moved, and it was seconded, that the sub-committee have a vote on each proposed change in order to demonstrate the overall position of the sub-committee. In relation to the change on homelessness, the majority of the Members present were against the introduction of one direct reasonable offer. In relation to financial resources, the majority of members present were in favour of the suggested equity level and introduction of financial assessments. In relation to restricting transfers, the majority of Members present were against the proposal. In relation to accepting offers, the majority of Members present were against the proposed reduced timeframe for accepting an offer. In relation to restricting bidding, the majority of members were against the proposed increase in suspension time.

It was **agreed** to note the contents of the presentation and for the sub-committees response to the proposals to be sent to the Cabinet Member.

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Signed by Chair of Housing Sub-committee