

## AMENDMENTS TO THE LETTINGS POLICY 2003

### 1 SUMMARY

- 1.1 This report is a review of the Lettings Policy introduced in January 2003 and asks Members to consider amendments, particularly the definition for key workers.

### 2 INTRODUCTION

- 2.1 On 1<sup>st</sup> October 2002, Members agreed the new Lettings Policy to be implemented in January 2003 following changes in legislation under the Homelessness Act 2002.
- 2.2 Members requested a follow up report after six months of operation to assess how the new scheme was working and any amendments required. In view of the work undertaken by the Housing Best Value Sub-Committee (HBVSC) this was felt to be the best forum to explore the review process. This report was therefore delayed until after the acceptance of the draft Housing Strategy by Community Services Committee.
- 2.3 In addition, Members have requested that the definition of key worker be reconsidered.

### 3 DETAILED CONSIDERATIONS

#### Key Workers

- 3.1 The current Lettings Policy implemented on 31 January 2003 has a clause to allow key workers who work in the District to get some extra priority on the Housing Register. The definition of what constitutes a key worker was decided at Community Services Committee at 1 October 2002 and this has been defined in our Lettings Policy: -

**‘You are a key worker and have permanent or fixed term employment of at least two years, in the District, for over 25 hours per week. You live more than 25 miles outside the District, there is no relocation package available from your employer and you have insufficient income, savings or equity in a property to be able to rent privately or purchase a home locally.’ = 100 points.**

**NB: a key worker is an individual or class of employee, employed by any of the following: a local authority, Rochford and Castle Point Primary Care Trust (PCT), Fire Authority or Police Authority where they have**

**written to the Council stating that they have difficulties in recruiting staff within the District due to the high cost of housing accommodation’**

3.2 The Letting Policy also states that:

**‘The Council also reserves the right to:  
Allocate to key workers if properties are specifically designated for them.’**

This allows for deviation from the points system when properties are specifically built and designated for key workers but the points system itself and narrow definition restrict the number of points awarded.

### **What is a Key Worker?**

3.3 The Starter Home Initiative (SHI), Housing Corporation funded, provides grant so key workers can purchase their first home and states that funds:

**‘Be targeted on groups of key workers amongst whom there are demonstrable recruitment and retention difficulties locally, whose services are essential to the local community, who must be located close to that community and who would not otherwise be able to buy their own home.’**

3.4 For the purposes of the SHI, the priority categories have been defined as teachers, police, nurses and other essential health staff. This reflects the priority attached to tackling recruitment and retention problems in these key public services. However, it was left open to SHI bidders (in consultation with local authorities) to put forward proposals to support other groups of key workers in local areas where appropriate. Under the SHI regional funding 400 other workers including social workers, fire fighters and transport workers are being assisted.

3.5 Wealdon DC suggested that a key worker is ‘someone who is key to the economy and/or to a particular organisation.’

3.6 Hammersmith & Fulham London Borough Council definition is ‘anyone who makes a significant contribution to the Borough’s well being through the delivery of essential services.’

3.7 ACTVaR (the sub-regional Local Government Association for Berks, Oxford & Bucks) class a key worker as ‘an individual in housing need who is unable to afford to meet their needs without some subsidy and whose employment is of particular importance to their local community.’

3.8 The Housing Corporation in their document ‘Innovation & Good Practice Affordable Rented Housing for Key Workers’ uses:

- **‘Employees in essential, universally accessible public and private services, without whom those services would operate at below optimal level**

**AND**

- **Workers in those sections whose income is insufficient to allow them to access reasonable accommodation in the private market or to receive priority assistance through the relevant housing legislation.’**

### **Current position**

- 3.9 These variations in definitions by organisations show the flexibility that is used when classifying key workers. The main theme shows a tendency to base the definition on local needs and priorities. It is, therefore, worthwhile assessing the local situation by investigating any recruitment/staff retention difficulties that businesses may have. Initial research has shown that a local farmer is currently having difficulties recruiting for tractor/sprayer operators. Further research could be undertaken through the Chamber of Commerce and links with our Economic Development Officer.
- 3.10 A number of properties are currently being developed specifically for key workers, which are due to be completed at the end of the year. Under our current policy no applicants on our housing register are eligible for these properties.
- 3.11 To ascertain the current level of interest in these properties, correspondence has recently been sent to all key worker businesses such as local fire stations, police stations, health trusts and schools along with existing applicants on the housing register. Responses to date have been limited.
- 3.12 The enquiries received are from residents who are not considered key workers under our current definition. These include: -
- A nurse who works at Southend Hospital and lives in Rayleigh
  - A hospital worker at Southend who lives in Rochford
  - A health care assistant who works in Southend and lives in Rochford
  - A Customs & Excise Worker who works in Southend and lives in Rochford
  - A Teacher’s Assistant who works and lives in Rochford
- 3.13 It would be beneficial to widen the current definition to ensure the accommodation currently being developed is more accessible to the community. The definition of a key worker could, therefore, be altered to:
- ‘ a key worker is an individual in housing need who works in either the public sector or whose employment is of particular importance to the community’.**

3.14 This can then be categorised and prioritised by:

- Applicants living in the District and working in the public sector
- Applicants living in the District and working in a service that benefits or is of particular importance to the community
- Applicants who live outside the District and work in the public sector

3.15 It would prove more beneficial to keep a separate register specifically for key workers. Numbers can then be monitored and applicants can be nominated to the new development when the properties become available.

3.16 A separate points system could then be administered to prioritise the type of key worker and area of employment and residency status.

3.17 Points could be awarded and publicised as follows:

**‘you have a residency qualification that is to be currently living in the District and have done so for 6 months in the last year and you have insufficient income, savings or equity in a property to be able to rent privately or purchase a home locally = 200 points’**

**‘You are a key worker and have permanent or fixed term employment within the public sector of at least 1 year. = 100 points’**

**‘You are a key worker and have permanent or fixed term employment in a service that benefits or is of particular importance to the community = 50 points’**

3.18 Any other applicable points via the general Lettings Policy will apply. The new financial assessment mentioned in the following section can also be used to ensure that those on lower incomes receive priority.

#### **4 FINANCIAL CONSIDERATIONS**

4.1 Under the Homelessness Act 2002 Section 167 (2A) local authorities are allowed to take ‘the financial resources available to the applicant to meet his housing costs’ into account when determining priority within the allocation scheme. The Code of Guidance states ‘this for example would allow a housing authority to give less priority to an applicant who was financially able to secure alternative accommodation at market rent’.

4.2 Consequently to ensure that people with insufficient income/savings to buy or rent were give a higher priority than others, the current Lettings Policy gives the discretion to grant the 100 or 200 local connection points if the applicant has ‘insufficient income, savings or equity in a property to be able to rent privately or purchase a home locally.’

- 4.3 It is recommended that we use the same form of calculation as the recently published Housing Needs Survey for both affordability on purchasing and privately renting properties. The following table was used within the Survey to establish income thresholds for private renting:

Area	Income Thresholds (£)		
	1 bed flat	2 bed flat	2 bed terrace
Hockley	20,400	25,200	30,000
Hawkwell	19,200	24,000	28,800
Rayleigh	21,600	25,200	28,800
Rochford	19,200	27,600	31,200
Hullbridge	19,200	24,000	28,800

- 4.4 It is recommended that this same table be used to ascertain whether applicants can afford to privately rent for the following 6 months and then periodically updated.
- 4.5 The Housing Needs Survey assumed a 95% mortgage plus 3 times gross income. It is recommended that this same calculation be used to ascertain whether applicants can afford to purchase. Local house prices can be reviewed every 6 months. The following table, which was updated in February 2005, could be used for the next 6 months:

Available prices	Three/four bed house	Two bed house	Two bed flat	One bed flat	One bed OAP flat
Rayleigh	£207,000/ £252,000	£166,000	£129,000	£119,000	£116,000
Rochford	£169,000/ £256,000	£162,000	£115,000	£79,000	£83,000
Wakering	£205,000/ £244,000	£168,000	£85,000	£111,000	£95,000
Southend BC area	£199,000/ £245,000	£133,000	£123,000	£111,000	£91,000

- 4.6 Therefore to provide clarity on this, agreement is sought to insert the following into the policy document:

**FINANCIAL RESOURCES CALCULATION**

**(a) Private Renting**

**If you have savings or equity in a property over £50,000 you will be deemed to have sufficient capital to rent privately. A financial assessment will be carried out to ascertain whether you can afford to privately rent based on current local rental costs.**

**(b) Buying a Property**

If the total of your savings/equity plus 3 times your income (taking into account your age and debts) is sufficient to purchase a property large enough for your needs then you will be deemed eligible to purchase. Local house prices will be reviewed every 6 months.

**5 INSPECTION OF TEMPORARY ACCOMMODATION**

- 5.1 There have been a few instances where temporary accommodation has been left in a poor condition requiring repairs and redecoration before it can be relet. There are clauses within the licences and non-secure tenancy agreements that state *'You and your household and visitors to the property must properly care for the accommodation and any furnishings'* and *'You must keep the garden tidy and in reasonable order.'* Our Anti-social Behaviour Policy & Procedures also include environmental damage e.g. graffiti, rubbish dumping, attracting vermin and damage to the property, which forms part of the definition of anti-social behaviour.
- 5.2 Unfortunately, these conditions are not always adhered to and it is proposed that regular inspections are made by the relevant Housing Management Officer with a final inspection before a permanent offer of accommodation is made. This will ensure that the property has been kept in a decent condition and if not, it can be repaired and the tenant charged accordingly.

**Other anomalies to the current policy**

**6 GARDENS**

- 6.1 The current scheme awards 5 points for 'living in a flat without sole use of a garden and have a child/children under the age of 16.' Permission is sought to remove this ground as the Council has so few flats with gardens that often having granted this ground, we then have to allocate the applicant a flat without a garden. This will help reduce tenants' expectations.

**7 DISABLED ADAPTED PROPERTIES**

- 7.1 In order to deviate from the points system and ensure that a property that has been extensively adapted for the disabled is allocated to a person/family in need of that adaptation, agreement is sought to insert the following statement in the policy: -

**'The Council reserves the right to allocate a property that has been extensively adapted\* for the disabled to the next person/family in need of that adaptation'**

*\*extensively adapted may include lowered kitchen units, bath replaced with level access shower, doors widened, ramp/hard standing.*

- 7.2 It is not intended to leave a property empty for a period time due to the adaptations but to have the flexibility to offer to a disabled applicant where appropriate.

## **8 TRANSFERS**

- 8.1 Tenants who are living in a property larger than they need who are prepared to downsize to a 1 or 2 bed property receive £1,500 per bedroom foregone and receive 100 additional points on the transfer register. This only applies to Council tenants and Housing Association tenants do not receive any incentives.
- 8.2 It is therefore recommended that Housing Association tenants be given the additional points in line with Council tenants and up to £1,000 for removal expenses. This would only apply to Housing Associations that have a transfer agreement with the Council in order that we gain resulting relets.

## **9 REASONABLE PREFERENCE**

- 9.1 Our Lettings Policy currently states that reasonable preference can be give to *'people who need to move to a particular locality in the district where failure to move would cause hardship to themselves or others.'* Within the Housing Act 1996, we are able to expand this and add 'This may be due to:
- A need to access medical treatment
  - To give or receive care
  - To take up employment or training opportunity
- 9.2 It is therefore recommended to expand the reasonable preference policy to include those categorised above.

## **10 ACCOMMODATION SIZE PROVISIONS**

- 10.1 After the Homelessness Review decision to move a tenant already in a 3-bed property to a larger 3-bed property due to bedroom size, it was felt that the policy should be reviewed. However, only 2 of this particular style of properties exist and the main issue was due to the design and internal arrangements of the properties. Due to the scarcity of these properties it is recommended to leave the policy unaltered in this respect.

## **11 SHARING FACILITIES**

- 11.1 Currently the wording on points awarded is not very clear and clarification is sought. The Lettings Policy currently states:

**You share with a relative (usually but not exclusively those aspiring to live away from the family unit) i.e.  
Living room**

**Kitchen**  
**Bath/shower**  
**Toilet**

**= 2 points each**

**Based on two clearly separate households living within and sharing the same accommodation.**

- 11.2 This is causing difficulties assessing when a family member has always lived with their parents at home but then has a child. Clarification is needed as to whether they should receive the above points. By having a family themselves this would seem to indicate that they are then a separate household and should be awarded the points. To provide clarity on this it is suggested that the policy is altered to:

**You share with a relative but are a separate family/household or an extended family**

- 11.3 Facilities considered and level of points would remain the same.

## **12 CONCLUSION**

- 12.1 Overall the new scheme works well considering that an entirely new policy had to be written and implemented in such a short time. These minor amendments will help both the team and customers. Unfortunately, the reducing numbers of void properties and nominations from RSLs creates very little movement but the scheme is affording the maximum priority to the homeless and local residents as desired.

## **13 RISK IMPLICATIONS**

### **13.1 Resource Risk**

Staff time will be required which should not cause a problem.

### **13.2 Operational Risk**

All current points level will have to be recalculated. However, this can be incorporated as part of the yearly review.

### **13.3 Information Risk**

Amendments to the Lettings Policy will require a full consultation exercise.

## **14 RESOURCE IMPLICATIONS**

- 14.1 A full consultation exercise will involve public meetings and adverts in Your Home. If the Tenants Association meetings are used there will be a minimum



additional cost. If agreed by the tenants then a revised Lettings Policy will have to be printed and distributed, approximate costs £1,100.

14.2 Housing Association tenant transferring via the Transfer Incentive Scheme are likely to be very limited with a maximum of 2 per year, therefore costing £2,000.

14.3 All costs would be contained within the Housing Revenue Account

## **15 LEGAL IMPLICATIONS**

15.1 These amendments to the Lettings Policy are acceptable within the limitations of the Homelessness Act 2002 and the Housing Act 1996.

## **16 RECOMMENDATION**

It is proposed that the Committee **RECOMMENDS** the following amendments to the current Lettings Policy being:

- (1) Widen the definition of a key worker and set up a separate register and pointing system for new developments as outlined in the report
- (2) Insert the financial criteria that will be used to assess a person's affordability to rent privately or purchase a property.
- (3) That Housing Management Officers inspect temporary accommodation on a regular basis and particularly before giving tenants a permanent offer of accommodation.
- (4) Remove the 5 points for not having a separate garden with children.
- (5) Reserve the right to deviate from the points system in order to allocate an extensively adapted property for the disabled to someone in need of that adaptation.
- (6) Insert reasonable preference text in line with the Housing Act 1996.
- (7) Not to alter the policy in respect of accommodation provisions where that accommodation has small bedrooms or unusual layout.
- (8) To alter the policy on shared facilities for clarification.

S J Clarkson

Head of Revenue and Housing Management

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**Background Papers: -**

DTLR – Allocation of Accommodation

DTLR – Homelessness Strategies – A good practice guide

Homelessness Act 2002

Housing Needs Survey 2004

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