

**North East Derbyshire District Council**

**Cabinet**

**26 October 2016**

**North Wingfield - Local Lettings Policy, including temporary removal of the Equity Cap**

**Report of Councillor Mrs E A Hill, Portfolio Holder with Responsibility for Housing Strategy and Social Inclusion**

This report is public

**Purpose of the Report**

- To seek approval for a Local Lettings policy to waiver the £30,000 and £16,000 equity/assets or savings cap stipulated in the Council's Choice Based Lettings (CBL) and Allocations Policy. This will only apply to owner occupiers whose property has been brought back by the Council for wider regeneration purposes of the Whiteleas Avenue estate.
- To seek approval of a delegated decision for the detailed development of and approval to the Local Lettings Policy.

**1 Report Details**

- 1.1 In April 2013 the Council amended the CBL and Allocations Policy as it was felt that a more robust policy was required to ensure that only those in most need were able to join the Council's waiting list and access Council accommodation. Therefore any applicant assessed as having equity/assets or savings of £30,000 or over (excluding existing NEDDC tenants and Extra Care specialist housing applicants) will not be able to register with Rykneld Homes' Choice Move Team and join the housing waiting list.
- 1.2 In addition to the £30,000 equity/assets or savings cap, any applicants assessed as having between £16,000 and £30,000 will be able to register for a Council property but will be placed in band 4, which means that they will not receive any housing priority.
- 1.3 The Alma site development presents an opportunity to deliver additional housing units facilitating the phased regeneration of the Whiteleas Estate in North Wingfield.
- 1.4 On 9 March 2016 Cabinet agreed Report No EAH/14/15-16/LS, which outlined proposals for the phased approach to the strategic development of the Whiteleas Estate. Officers consider that these homes do not have a sustainable future and that a regeneration scheme in respect of these homes needs to be undertaken within the next few years.

- 1.5 The report stated the regeneration would replace the Council's existing non traditional housing with new homes. It also stated that a significant complication to the development is that a number of properties on the Whiteleas Estate are owned privately.
- 1.6 A number of options for the owner occupiers were included and agreed in the report to help proceed with the regeneration, however the equity clause in the CBL and Allocations Policy poses as a barrier which could stall the site and funding could be lost.
- 1.7 **The Options that have been identified and previously agreed for the Owner Occupiers are as follows:**
- Sale of their current home to the Council following an agreed valuation process and move to one of the new build properties as a council tenant. In the event of equity in excess of £30k the option would be shared ownership.
  - Sale of their current home to the Council following an agreed valuation process and be supported to relocate to an alternative Council property elsewhere in the District. Again this option would be subject to Equity levels.
  - Use the agreed value of their current property to pay for part or all of a new build being developed on the site or move to another private property.
  - Choose not to engage with the Regeneration programme and be subject to a compulsory purchase order (CPO) for their current home.
- 1.8 The property value for the Council to buy back will be over the £30,000 equity cap, but insufficient to purchase another property.
- 1.9 It needs to be recognised that all parties are working to tight deadlines therefore Whiteleas Estate will need to be cleared of all its residents in their allotted phase appropriately, within policy and within the timescale.
- 1.10 Below is the number of owner occupiers in each phase;
- Phase 1 = 11
  - Phase 2 = 15
- 1.11 To enable the options to be implemented efficiently and within policy, a separate Local Lettings Policy for this small group could be put in place to waiver the equity barriers, allowing the owner occupiers to access Council housing, should they wish to do so. This will be a quicker process to clear the estate and will be more of a motivation to help with the engagement of the owner occupiers, which will be beneficial to all parties and limit financial losses due to tight deadlines not being met. On the basis that Cabinet agree the principles as set out within this report that will underpin a local lettings policy in respect of North Wingfield it is recommended that delegated powers be granted to the Executive Director – Transformation in consultation with the Portfolio Member to approve the policy.

- 1.12 The Local Lettings policy will not impact on the district wide CBL and Allocations policy as Section 166A(6)(b) of the Housing Act 1996 enables housing authorities to allocate particular accommodation to people of a particular description, whether or not they fall within the reasonable preference categories, provided that overall the authority is able to demonstrate compliance with the requirements of S.166A(3) *‘to give overall priority for an allocation to people in the reasonable preference categories’*.
- 1.13 This is the statutory basis for ‘local lettings policies’, which may be used to achieve a wide variety of housing management and policy objectives.

## **2 Conclusions and Reasons for Recommendation**

- 2.1 As this is an exceptional circumstance and the options have previously been agreed by Cabinet, it is recommended that a Local Lettings Policy for both phase 1 and 2 is put in place waiving the £30,000 and £16,000 equity/assets or savings criteria stipulated in the CBL and Allocations policy. This will enable the owner occupiers of this regeneration/development scheme in phase 1 and 2 to access Council accommodation if they chose to do so, which will be beneficial to all parties and limit the financial losses if the tight deadlines are not met.
- 2.2 There are significant levels of negotiations that need to be undertaken and in view of the timescales involved and the financial risks to the development the report recommends that delegated powers be given to Executive Director of Transformation in consultation with the Leader of the Council to implement the Local Lettings Policy.

## **3 Consultation and Equality Impact**

- 3.1 An Equalities Impact Assessment for the Local Lettings Policy will be undertaken in line with council policy.
- 3.2 Consultation has taken place with Rykneld Homes the Council’s Housing Management partner and other stakeholders.

## **4 Alternative Options and Reasons for Rejection**

- 4.1 Not putting a Local Lettings Policy in place would mean that the options in the previously agreed report cannot be utilised as it would be against policy.

## **5 Implications**

### **5.1 Finance and Risk Implications**

- 5.1.1 Potentially after a couple of years those owner occupiers who accessed Council accommodation will have the Right to Buy, however, the wider financial risk to the overall regeneration scheme would have a greater impact upon the Council.

### **5.2 Legal Implications including Data Protection**

- 5.2.1 As described in the report.

### 5.3 Human Resources Implications

5.3.1 None

## 6 Recommendations

6.1 That Cabinet agree the local lettings policy as outlined in the report in principle.

6.2 That delegated powers be given to Executive Director of Transformation in consultation with the Portfolio Member for Housing to approve the revised Local Lettings Policy on the basis of the principles set out within this report.

## 7 Decision Information

<b>Is the decision a Key Decision?</b> (A Key Decision is an executive decision which results in income or expenditure to the Council of £50,000 or more or which has a significant impact on two or more District wards)	Yes
<b>Is the decision subject to Call-In?</b> (Only Key Decisions are subject to Call-In)	Yes
<b>District Wards Affected</b>	North Wingfield
<b>Links to Corporate Plan priorities or Policy Framework</b>	

## 8 Document Information

Appendix No	Title
<b>Background Papers</b> (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)	
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