



Local Lettings Policy

1. Introduction

In January 2009, Communities and Local Government (CLG) issued 'Fair and flexible: statutory guidance on social housing allocations for local authorities in England', which reinforces the flexibilities local authorities have within the allocation legislation to meet local pressures by;

- Adopting local priorities alongside the statutory reasonable preference categories
- Taking into account other factors in prioritising applicants, including waiting time and local connection
- Operating local lettings policies

A Local Lettings Policy may form part of a strategy to manage lettings on new estates, hard to let estates or in areas where there may be social problems and management difficulties.

Housing Corporation (now Tenant Services Authority) Regulatory Guidance provides that housing need should normally override any special consideration of local connection. The guidance provides that no applicant should be excluded from an allocation scheme because they do not have a local connection except in the following circumstances:

1. On rural exception sites
2. Where section 106 agreements apply
3. If a Local Lettings Policy is in place

The Local Lettings Policy fits within the Homes First Choice Based Lettings (CBL) Policy and as a housing association, SARH must ensure that the variation is legally valid by complying with the Housing Act of 1980 and 1996 (as amended) by ensuring that the CBL and Local Lettings Policies are published and freely available on request.

Each local letting policy will require an Equality Impact Assessment to be carried out to ensure that the policy does not discriminate against anyone particular group in society.

In determining whether to implement a local lettings policy we will have regard to:

1. Whether there is an evidential basis demonstrating a need for a policy e.g. a survey that demonstrates local people would be unable to secure access to suitable housing so demonstrating the policy is responsive to the economic and social environment and linked to regional and local housing strategies.
2. The policy is fair and does not discriminate, directly or indirectly, on racial or other equality grounds.
3. To offering choice whilst giving reasonable preference to those in priority housing need.

2. Aims of the Local Lettings Policy

The aims of a local lettings policy are to support the CBL policy objectives, i.e. to sustain estates, build balanced and stable communities and ensure a quality of choice for all of our customers.

3. Objectives of the Local Lettings Policy

The objective of a local lettings policy is to help sustain communities, and will be applied where there are new build properties or difficult to let properties or in areas where there may be social problems and management difficulties. Our definition of difficult will help us identify factors which are threatening the sustainability of our estates, which include:

- A small or non-existent waiting list
- Offers which are frequently refused
- High rates of voids available for re-letting
- High rates of tenancy turnover

Where a local lettings policy is being considered to address issues unsustainable communities the process will involve the relevant teams and tenants looking at the facts and the community profile of their area and identifying adverse trends or gaps.

A local lettings policy can override CBL criteria, for example:

- Properties may be allocated to someone in a lower band, if they meet the local lettings criteria and the person in the higher band does not
- Eligibility rules for property types may be changed
- Preference given to applicants with certain types of characteristics e.g. applicants who are in employment
- Giving preference to people who have a local connection

4. National Guidance

A study carried out by Heriot Watt University for Communities and Local Government in 2008, based in two regions, found that about half of responding authorities (23 out of 52) operated local lettings policies. This would suggest that many housing organisations are not making as much use as they could of the flexibilities which the allocation legislation allows.

In December 2009, Communities and Local Government issued 'Fair and flexible: statutory guidance on social housing allocations for local authorities in England (Dec 2009)'. Whilst the guidance applies specifically to local authorities, it is also of direct relevance to housing associations in allocating housing.

The guidance makes it clear that, alongside CBL, making greater use of the existing flexibilities with the allocation legislation a Local Lettings Policy may be used to achieve a wide variety of policy objectives. For example, they may be used to:

- deal with concentrations of deprivation or create more mixed communities by setting aside a proportion of vacancies for applicants who are in employment or to enable existing tenants to take up an offer of employment;

- attract essential workers into the district by giving them priority for a small number of properties even though they may not fall within any of the reasonable preference categories;
- deal sensitively with lettings in rural villages and on s106 exception sites by giving priority to those with a local connection to the parish;
- ensure that properties which are particularly suited to being made accessible (e.g. ground floor flats) are prioritised for those with access or mobility needs.

5. Section 106 Planning Agreements on Exception Sites

A planning permission for a development on an exception site is always conditional on the applicant signing a s106 Planning Agreement. It is called a *s106 Agreement* because the circumstances in which such an agreement can be used and enforced are contained in s106 of the Town and Country Planning Act 1990.

It is used in relation to exception sites to ensure that the purpose of affordable housing, in perpetuity to meet local needs for which the applicant stated that the land would be used is followed through and enforced.

An exception site contains only affordable houses and these must be available in perpetuity for rent or for shared ownership sale to local people.

A definition of the “local connection” required is sometimes included in the agreement and will stipulate the type of connection and the length of residence which will qualify.

A list of neighbouring villages/areas from which applications for housing can be sought may also be included to allow for occasions on which there are no applicants from within the village/area where the development is located. A further safety net normally allows the catchment area to spread to the entire district. This is designed firstly to ensure that houses are never left empty and secondly to reassure lenders as to the security against which they provide loan finance.

The “in perpetuity” requirement is met, for the rented houses, by the exemption from the right to acquire for houses in settlements with a population of fewer than 3,000 people. For shared ownership houses in this size of settlement, the owner can “staircase” to only 80% of the equity.

6. Local Connection

‘Local connection’ is a key aspect of any Local Lettings Policy. This involves giving more priority for ‘local connection’, ensuring that, wherever possible, empty homes go to those people who live or work in a specified area, or to those who have close family associations with it or have other special circumstances.

SARH operates an open Housing Register. This means that the Housing Register it is open to anybody who can legally hold a tenancy and who is eligible for housing. There are no specific local connection conditions. Our general policy for letting accommodation outlines who is eligible to join the Housing Register. In order to achieve the aim of letting some properties to

people with a local connection, additional criteria must be used for properties covered by a Local Lettings Policy.

Local connection as defined in the Housing Act 1996, as amended by the Housing and Regeneration Act 2008, states that:

People can establish a local connection with an area:

- Because they work there;
- Because they live there (or have lived there in the past);
- Because they have family living there;
- Because of some other special reason.

It also states that people serving in the armed forces do not establish a local connection with an area as a result of living or working in an area.

However, the Communities and Local Government Circular 04/2009 provides updated guidance on considering housing applications from members of the Armed Forces. The aim of the Circular is to remove any disadvantage that Service personnel may suffer as a result of service in the Armed Forces.

The effect of the amendments is to provide for applicants who are serving in the Armed Forces and who are either employed or resident in the area to establish a local connection with the area. It also provides for local connection to be considered where applicants previously resided in the area as a result of serving in the Armed Forces.

7. Local Lettings Approved Criteria

Options to qualify for local connection criteria	Definition
A) Connection to the 'local community'	<p>'Local community' is defined as</p> <ul style="list-style-type: none"> ▪ within village or parish ▪ within Council Ward area, or ▪ within Stafford Borough <p>Priority be given;</p> <ul style="list-style-type: none"> ▪ within village or parish (in band order) ▪ then within Ward (in band order) ▪ then anyone on the list from outside the Ward but resides in Stafford Borough (in band order) ▪ then anyone who resides outside Stafford Borough (in band order)

<p>B) Living in the community currently; for a minimum period</p>	<ul style="list-style-type: none"> ▪ The applicant must have resided in the community for a minimum of 2 years
<p>C) Have lived previously in the community; for a minimum period.</p> <p>Note: Residence in a hospital or prison does not form a local connection by residence.</p>	<p>The applicant must previously have resided in the community for a minimum of 2 years out of the last 5 years</p>
<p>D) Currently work within close proximity; for a minimum period and for a minimum number of hours</p> <p>This must be your actual place of work, not where your head office is situated.</p>	<p>The applicant must previously be currently employed and have been for a minimum of 2 years</p> <p>What is the minimum number of hours worked per week required?</p> <ul style="list-style-type: none"> ▪ Greater than 16 hours
<p>E) Strong family connections;</p> <p>Section 113 of the 1985 Housing Act defines members of a tenant's family for the purposes of succession and includes: spouses, parents, grandparents, children, grandchildren, siblings, uncles, aunts, nephews and nieces; including step-relations, half-relations and illegitimate children and "persons living together as husband and wife" (This includes same sex partners).</p>	<p>Use Section 113 of the 1985 Housing Act definitions and in addition</p> <ul style="list-style-type: none"> ▪ As the law does not give the same rights to the relatives of same sex partners, SARH's policy will give the same rights
<p>F) Securing employment in the local community</p>	<p>Applicants will be given priority where there is a firm offer of employment in the community where all efforts have been made to support local employment and who would otherwise be unable to take up the offer because of a lack of affordable housing</p> <ul style="list-style-type: none"> ▪ This will apply to permanent employment only
<p>G) Section 106 agreements local lettings</p>	<p>One local lettings agreement is agreed to cover all Section 106 developments</p>

When a Local Lettings Policy is used for a specific neighbourhood, applicants will still be banded based on their housing need under the CBL scheme, and offers of housing will be made in the following order:-

Applicant has a local connection to the Village or Parish
Band 1 Applicant, by band entry date
Band 2 Applicant, by band entry date
Band 3 Applicant, by band entry date
Band 4 Applicant, by band entry date
Applicant has a local connection to the Ward
Band 1 Applicant, by band entry date
Band 2 Applicant, by band entry date
Band 3 Applicant, by band entry date
Band 4 Applicant, by band entry date
Applicant does not have a local connection to the Ward but has a local connection to Stafford Borough
Band 1 Applicant, by band entry date
Band 2 Applicant, by band entry date
Band 3 Applicant, by band entry date
Band 4 Applicant, by band entry date
Applicant lives outside Stafford Borough and has no local connection
Band 1 Applicant, by band entry date
Band 2 Applicant, by band entry date
Band 3 Applicant, by band entry date
Band 4 Applicant, by band entry date

8. Consultation

Other than where a Local Letting Policy applies to s106 new build properties, any recommendations for a Local Lettings Policy will be debated within the wider community and with other interested parties. The Local Letting policy will be implemented through the Homes First Choice Based Lettings Scheme. Consultation will be carried out by involving:

- Customers, including any appropriate Residents Associations
- Neighbourhood groups
- Any stakeholder that is predominantly involved in the local community, for example, Stafford Borough Council, other landlords, the police, local councillors and MP's

9. Criteria for Local Lettings Policies

Where a local letting policy is being considered, other than on s106 and rural exception sites some or all of the following criteria should also be met;

- The area/set of homes to which this is to be applied is clearly defined
- There are clear objectives to prevent or tackle social problems in that area of housing which can be evidenced
- Is part of a strategic approach to address social issues, which involves a revised approach to housing management
- Where applicable will take account of the proposals submitted under the Housing Market Renewal agenda
- Will not last for more than 3 years and will be subject to statistical and stakeholder review every 12 months, and withdrawn where specific objectives have been met
- Procedures are available for staff where there are no applicants who meet the social profile of the Local Lettings policy, or where an emergency need for re-housing has arisen which may mean that the Local Lettings Policy has to be overridden

10. Customer Information

Leaflets are available in all of our offices, which explain to customers the aims of a Local Lettings Policy and how they are decided.

The Local Lettings criteria will be published within the website and weekly property freesheets and where it is applied to vacancies this will be clearly shown.

These documents are available in alternative formats.

11. Exceptions

In certain circumstances a local lettings policy will need to be over-ridden because of an emergency case. The Chief Executive will make this decision.

Where a vacancy has occurred and no applicants meet the criteria of the local lettings policy other applicants will be considered in band and date order.

12. Monitoring Local Lettings Policies

Any Local Lettings Policy, other than those on s106 developments and rural exception sites will not last for more than 3 years and will be subject to statistical and stakeholder review every 12 months.

The Housing Choices Team will keep a record of all vacancies that have had a Local Lettings Policy applied and will provide these statistics to Neighbourhood Services Manager 12 months after implementation of the policy or on request.

13. Success of Local Lettings Policies for Sustainability Issues

We have attached a local lettings toolkit (Appendix 1), which is to be used to determine whether a local lettings policy is required because of issues in a neighbourhood. The toolkit has been recognised as good practice by the Chartered Institute of Housing.

The Neighbourhood Services Manager will monitor and review the impact of the policy and depending on the findings will recommend whether to continue for another agreed period or not.

14. Related Policies

- The Homes First Choice Based Lettings Policy
- The Equality and Diversity Strategy

Appendix 1

LOCAL LETTING TOOLKIT

1. Aim

The overall aim of this model is to determine whether a local amendment to the overall Choice Based Lettings Policy is required to any particular area because of issues in a neighbourhood. Known as a Local Lettings Policy, an agreed amendment to the overall policy is sometimes the solution in determining the impact of Social Housing on a particular area. This model has been designed to assist Housing Managers in determining and documenting whether this is a required outcome for an area.

2. Objectives

For each 'neighbourhood' the model will use a predefined set of statistical information to determine the sustainability of an area.

3. Roles and Responsibilities

The model will contain predetermined stages. They will briefly consist of the following, with roles clearly assigned for each stage.

4. Statistical data collection

The Neighbourhood Services Officer will be responsible for the collation of appropriate data.

5. Analysis of key data

The Neighbourhood Services Officer will be responsible for analysing the available information to determine whether a Local Lettings Policy would provide the resolution to the identified problem in the area.

The Neighbourhood Services Manager will be responsible for putting forward suitable local lettings proposals or for recommending that the solution is not a Local Lettings Policy. Where this is the case the Neighbourhood Services Manager will be responsible for taking this matter to the Housing Choices Manager and Head of Housing Management, for wider discussion and resolution by other means.

A Local Lettings Toolkit is provided (see below) to assist managers to highlight the issues within a neighbourhood.

6. Consideration to proceed with Local Lettings Policy

The Head of Housing Management will be provided with a proposal in the format of a formal report from the Neighbourhood Services Manager. The report will outline the background to the area, the statistical data analysed and a summary of the proposed Local Lettings Policy.

The Head of Housing Management will consider the proposal in line with the overall policy to determine whether this is the best solution to the problem.

The Head of Housing Management, Housing Choices Manager and Neighbourhood Services Manager will collectively consider the impact of implementing the proposed local lettings policy by completing an Equality Impact Assessment, to ensure a Local Lettings Policy, is not discriminatory in any way.

The Head of Housing Management will either recommend that the Local Lettings Policy proposal proceeds or recommend that alternative solutions are found.

The Director of Neighbourhood Services will need to sign off any Local Lettings policy.

7. Implementation

Once formally agreed, using the Toolkit, the Housing Choices Manager will then be responsible for implementation of the actual policy, including consultation and the advertising of the amended policy.

8. Monitoring

The Neighbourhood Services Manager will be responsible for implementing the monitoring systems as agreed at the toolkit stage.

9. Impact Review

Once the agreed period has expired the Neighbourhood Services Manager will be responsible for reviewing the data collected by the Neighbourhood Services Officer to determine the overall impact of the policy on the area.

This independent review and recommendation to either continue for another agreed period or to revert to the overall Stafford and Rural Homes Choice Based Lettings Policy will be fed back to the Head of Housing Management.

LOCAL LETTING TOOLKIT

5 STEP PLAN

1 Initial Assessment

- Define the geographical area.
- Think about what you and stakeholders perceive as the problem within the area.
- Consider your objectives – how would things change as a result of allocating properties in a different way.
- Short term fix? Longer term intervention?
- Who are your stakeholders?

2 Test your theory

Key data should be gathered to identify the critical issues within your area. You may find the following risk assessment and “traffic light system” helpful in clarifying your thoughts and helping to present the information later.

Assess risk on a scale of 1-5, where 1 equals no risk, 5 equals high risk. Calculate your mark as a percentage of the total possible mark (i.e. 5) for each indicator.

- **Demand and mobility with the neighbourhood**

Indicator	Risk	Mark	Traffic Light
Applicants per vacancy		%	
Stock turnover, voids as a percentage of total stock		%	
Tenancy turnover, particularly the percentage of tenants resident for under 2 years		%	
	Total	? % of possible total	

Other questions might be around trends for a particular property type and related to particular household types. You may also want to compare to averages for a similar area or against overall data.

- **Social conditions**

Indicator	Risk	Mark	Traffic Light
Unbalanced customer base in terms of age, gender, ethnicity		%	
Benefit dependency/unemployment		%	
Incidence of long-term limiting illness		%	
Levels of ASB, levels of crime or equally important, the perception of these issues is a major factor			
The housing history of new customers – i.e. consider the percentage of re-lets where the customer had urgent need, leaving care, institution etc			
	Total	% of possible mark	

The scores for each indicator are added to produce a total score that provides an indication of the relative popularity or health of the neighbourhood. The higher the score, the more unpopular or unsustainable an area is. Cumulative scores for the indicators may be compiled. Then the neighbourhood can be classified as follows. The traffic light system can make this easier.

Significant decline – 75% or more of the available score. Traffic light: red

Characteristics: high turnover, low demand, high benefits dependency, high crime/ASB, poor health.

Borderline – 50% - 75% of the score: amber

Characteristics: as above but not so pronounced.

Sustainable areas, but specific problems – 25% - 50% of the score: green traffic light

Characteristics: low turnover, high demand, low benefit dependency, low crime etc.

Characteristics: the traffic light and risk marks will help to highlight the areas of concern for individual indicators in the neighbourhood.

3 Assessment

What are your key concerns?

What are your objectives? For example,

- increase stability by reducing tenancy turnover
- achieve a better mix of age groups and household types

- increase sustainability by assisting new tenants to establish and maintain their tenancies
- increase demand for the area or specific property types
- reduce abandonment, learn more about why tenants leave
- influence residents' perceptions about ASB/crime

What targets would you want in place?

Over what period of time?

How will you know if you have been successful?

Do your stakeholders agree with you?

4 Getting Approval

- Refer to Neighbourhood Services Manager, who will carry out an Equality Impact Assessment and agree
 - (a) The exclusion criteria (if any) and further information required to substantiate the proposal, including how the impact on disadvantaged groups may be managed overall.
 - (b) How preference will be given to priority groups identified within the proposal, e.g. priority to local people, employed, priority to people outside of a reasonable preference group, under-occupation, etc
 - (c) Monitoring and review mechanism, for the scheme including an Appeals procedure for applicants

5 Head of Housing Management Report

A report will be submitted, to seek approval, to introduce the Local Lettings Policy. This must be signed off by the Director of Neighbourhood Services.