

SUBJECT:	REVIEW OF MARDY LOCAL LETTINGS POLICY
MEETING:	ADULTS SELECT COMMITTEE
DATE:	23rd October 2018
DIVISION/WARDS AFFECTED:	ALL

1. PURPOSE:

- 1.1 To consider a request by Monmouthshire Housing Association to extend a Local Lettings Policy that relates to social housing stock in Mardy, Abergavenny.

2. RECOMMENDATIONS:

- 2.1 To receive a presentation from Monmouthshire Housing Association.
- 2.2 To consider the implications of the Local Lettings Policy in relation to the Housing Act 1996 and the Council's homeless responsibilities.
- 2.3 To recommend to Cabinet that the Policy should be extended for a further two years, subject to a review in one year.

3. KEY ISSUES:

- 3.1 The Council has a statutory responsibility to identify housing need and to lead on actions to respond to this need. In this regard, the Council's Housing Register and Common Allocation Policy is a legal responsibility and is delivered by Monmouthshire Housing Association through the Homesearch Partnership, made up of the Council and local housing associations.
- 3.2 The Council's responsibility is to have an allocation scheme for determining 'priorities'. In regards to priorities, the scheme needs to ensure that 'reasonable preference' is given to certain categories of applicants such as people who are homeless or need to move for medical reasons. However, there is scope to allocate accommodation to people of a particular description, whether or not they fall within the 'reasonable preference' categories and to certain types of property or those within an area, provided that overall compliance with the 'reasonable preference' requirements. **See Appendix 1.**
- 3.3 Under this provision, a Local Lettings Policy was established in 2015 in respect of four streets in the Mardy, Abergavenny – St Andrews Crescent, St Georges Crescent, Llwynu Lane and St Davids Road.
- 3.4 The aim of the policy was to tackle anti-social behaviour, low demand and failed tenancies resulting in a high turnover of properties and increasing void periods. The policy gives priority to applicants in full time employment or 50+ with a view to developing a balanced and sustainable community to tackle the said issues. The impact of the policy is detailed in the attached briefing. **See Appendix 2.** The following provides a summary overview of the impact of the policy:
- The demographic and socio-economic profile of the area has changed;
 - A reduction in voids ;
 - Reduced applications from existing residents wishing to leave the area;

- The average number of bids on vacant properties has improved, although remains well below average for comparable general needs stock
- Whilst turnover has reduced and refusal rates are low, there was an increase in reported anti-social behaviour reported in the area in 2016/17 but this reduced in 2017/18.

3.5 The results of the policy are positive, but Monmouthshire Housing consider that there are further benefits to be achieved by extending the policy for a further two years. An implication of the policy, however, is that the policy effectively temporarily marginally reduces the 'wider pool' of accommodation available for those applicants in the greatest housing need, including homeless applicants. The majority of homeless applicants are not in employment and typically are under 50 years of age.

4. OPTIONS APPRAISAL

4.1 The following options are available:

- **Option 1** – not approve and bring the local letting policy to an end.
- **Option 2** - approve for an extension of one year
- **Option 3** – approve for an extension of two years

5. OPTIONS EVALUATION

5.1 Additional evaluation over and above that listed above is detailed in **Appendix 3**.

6 REASONS:

6.1 Section 167(2E) of the Housing Act 1996 enables Local Authorities to allocate accommodation utilising Local Lettings Policies to

7 RESOURCE IMPLICATIONS:

7.1 There is a small resource implication to this proposal in the context of the Council's homeless responsibilities and the potential impact on the ability of the Council to discharge its legal duties (due to the smaller pool of social housing). This, however, is considered to be a marginal risk and

8. SUSTAINABLE DEVELOPMENT AND EQUALITY IMPLICATIONS:

8.1 There are no negative implications. **Appendix 4**.

7. SAFEGUARDING AND CORPORATE PARENTING IMPLICATIONS

7.1 There are no implications associated with this proposal. **Appendix 4**.

8. CONSULTEES:

Cabinet Member for Social Justice and Community Development; Chief Officer Enterprise; Head of Planning, Housing & Place Shaping; Housing Options Team Manager; Monmouthshire Housing Association.

9. **BACKGROUND PAPERS:** Housing Act 1996; Code of Guidance for Local Authorities on the Allocation of Accommodation and Homelessness

10. **AUTHOR:** Ian Bakewell, Housing & Communities Manager

11. **CONTACT DETAILS:** Ian Bakewell, Tel: 01633 644479 **E-mail:** ianbakewell@monmouthshire.gov.uk

Appendix 1

S.167 Housing Act 1996 – Reasonable Preference

Every local housing authority in Wales shall have a scheme (their “allocation scheme”) for determining priorities, and as to the procedure to be followed, in allocating housing accommodation. (1A) The scheme shall include a statement of the authority’s policy on offering people who are to be allocated housing accommodation—

- (a) a choice of housing accommodation; or
- (b) the opportunity to express preferences about the housing accommodation to be allocated to them.

As regards priorities, the scheme shall, subject to subsection (2ZA) be framed so as to secure that reasonable preference is given to —

- (a) people who are homeless (within the meaning of Part 2 of the Housing (Wales) Act 2014);
- (b) people who are owed any duty by a local housing authority under section 66, 73 or 75 of the Housing (Wales) Act 2014;
- (c) people occupying insanitary or overcrowded housing or otherwise living in unsatisfactory housing conditions;
- (d) people who need to move on medical or welfare grounds including grounds relating to disability; and
- (e) people who need to move to a particular locality in the district of the authority, where failure to meet that need would cause hardship (to themselves or to others). The scheme may also be framed so as to give additional preference to particular descriptions of people (being descriptions of people with urgent housing needs).

Appendix 2

MONMOUTHSHIRE HOUSING ASSOCIATION LIMITED

UPDATE ON LOCAL LETTINGS PLAN FOR THE MARDY

Purpose of Report

To provide an update to Operations sub-group on the Local Lettings Plan (LLP) which was implemented in four streets in the Mardy, Abergavenny in February 2015 – St Andrews Crescent, St Georges Crescent, Llwynu Lane and St Davids Road.

Recommendation:

To approve the continuation of the local lettings plan for the current area of The Mardy, until April 2020. Members are asked to note that any LLP also requires approval from the Homeseach Partnership before being implemented, and that the MHA Chief Executive is taking a presentation about the LLP to the Monmouthshire Public Service Board (PSB).

Background Information

North Abergavenny is recognised within the *Population Needs Assessment Gwent Region Report¹* as an area experiencing high levels of deprivation.

The revised LLP was introduced on 15th February 2015 and was amended in January 2016 to “Priority to applicants who are in full time employment or 50+”, agreement was given in 2017 to apply it until April 2018. The LLP aims to develop and promote balanced and sustainable communities to tackle estate based problems.

The criteria was introduced across four streets consisting of 154 properties; 5 bungalows, 125 flats, 21 houses and three maisonettes. The LLP was implemented due to ASB, a lack of demand and failed tenancies, resulting in a high turnover of properties and increasing void periods. High churn rates are both costly and labour intensive.

Findings

There have been significant positive outcomes since the revised LLP was implemented including positive change to the demographic and socio-economic profile, increased eligible bids, a reduction in voids and fewer homeseach applications from existing residents. The average number of bids on properties has improved, although remains well below average for comparable general needs stock.

Whilst turnover has reduced and refusal rates are low, there was an increase to the level of ASB reported in the area in 2016/17 although this has reduced in 2017/18.

Community Safety & demographics

The LLP area had 19 reports of anti-social behaviour (ASB) in 2014/15, this reduced to 6 in 2015/16 after CCTV was fitted to some areas, but increased to 14 in 2016/17. Reports show reduced new ASB reports, with zero new incidents in St George’s Crescent for the second consecutive year (chart 1a). However four 2016/17 ASB cases were reopened, giving a total 16 cases. St Davids Road continues to have the highest number of incidents reported.

The types of ASB reported vary; with no distinct patterns emerging however, noise complaints continue to be an issue. Noteworthy is that Domestic Abuse now accounts for 1/3 of the reports in 2017/18 with four cases at four different addresses. Along with noise

¹ http://www.monmouthshire.gov.uk/app/uploads/2017/10/Population_Needs_Assessment_Final.pdf

nuisance, domestic abuse is the most common cause of ASB report. It is also worth noting that the number of 'multiple' issue complaints has reduced from three to one in 2017/18.

Of the 12 new ASB cases, 42% of the alleged perpetrators became starter tenants after the LLP commenced, 25% were in tenancy before the LLP and 33% were transferring tenants who moved after the LLP. This suggests that whilst the LLP is restrictive, it by no means guarantees that new tenants will not have ASB complaints made against them.

It should be noted that establishing culture change and improving the socio-economic profile of an area can take considerable time. However housing a larger proportion of tenants in paid work through the LLP has impacted significantly on the economic profile of the area

Using tenant insight data it is evident that the LLP has had significant impact on the economic profile. Since February 2015 there has been a 78% increase in the number of employed households in the area whilst those unemployed (excluding retired households) has dropped by a third (chart 1b). Comparing the LLP area with four comparable streets in Caldicot, demonstrates the LLP area now has higher levels of economic activity (chart 1c), with a higher employment rate and lower unemployment rate.

Data extracted (Chart 1d) from MHA tenant satisfaction surveys in 2015/16 and 2017/18 compares responses from tenants living in the LLP area with a comparable area in Caldicot. The results show that whilst satisfaction levels with MHA services have risen in the LLP area they continue to be substantially lower than for the comparable area. Other responses suggest that tackling ASB is still perceived as a greater issue for LLP residents.

Substantial environmental works have taken place or are planned in the LLP area since 2012 in excess of £320k spend (chart 1e).

Homesearch applications

The LLP seeks to address issues relating to low demand and high churn rates. **There are currently 26 households in the LLP area registered on Homesearch as at February 2018, a 35% reduction from those registered at the previous year's snapshot (Chart 3).**

New Homesearch applications from LLP residents continue to fall (chart 4a), with only 6 new registrations in 2017/18, of the four that gave a reason for wanting to move none are related to dissatisfaction with the area, although LLP residents remain statistically more likely than the MHA average to be registered on Homesearch 16.88% compared to 11.29% (chart 4b), although new registrations show LLP tenants are below the MHA average trend; 3.9% compared to 5.17% (chart 4c). The number of current LLP residents newly registering for Homesearch has now dramatically fallen from 21% to 4% per year since 2014/15; this is a good indicator of higher tenant satisfaction levels with their property/area since the LLP, and the new approach to pre-tenancy work and starter tenancy management. (Chart 4c)

However it should be noted that the total number of registrations for LLP households (chart 4d) show varied reasons for wishing to move and are statistically higher than for MHA tenants in general.

Homesearch bids and allocations:

There have been 18 LLP properties advertised for the 2017/18 period with an average 16.2 bids each, when cleansed for eligibility according to the LLP criteria this reduces down to 8 bids per property, this is lower than the number of eligible bids for 2016/17 (9 bids per property), but is still double the 2015/16 figure of 4 bids (chart 5a). Chart 5b gives a breakdown of banding of successful homeseekers housed by band during 2017/18.

There were 66 two-bedroom apartments let by MHA in 2017/18 with an average number of 38 bids per property, more than double the average number of bids for the LLP area alone,

reducing to 15 bids per property when cleansed for eligibility. Comparison with a neighbourhood area with a similar stock profile (in Caldicot) shows average bids per property in 2017/18 was 47, compared to 16.2 for the LLP (chart 5c) with 37 eligible bids per property compared to 8; however this is for a small sample of 4 void properties, and this area has been subject to high numbers of decants and direct transfers due to redevelopment works, reducing available stock. Demand for the two areas (Homeseach registrations) is comparable, with 300 registrations for 2-bed homes in Caldicot and 278 in Abergavenny.

Of the 18 LLP properties let in 2017/18 56% were let to those with higher housing needs (Band 1-3), this compares to 45% the previous year. Those in Band 2b account for 17% of lets (not far short of the 20% target). There were 28% of LLP lets in band 4 applicants and three (17%) were housed from Band 5 in the period (chart 6a). The comparison of 2 bed apartment lets by banding in the LLP with the whole of MHA shows that households being allocated properties in the LLP area are from lower bands than average (chart 6b). However it should be noted that there are generally low numbers of Band 1 and 2 housing need bidders in the area generally; in the Abergavenny area there are currently only 28 households with a 2 bedroom property need (chart 6c:snapshot March 2018) in Bands 1 and 2, with Abergavenny as first choice area.

There are new social housing developments in the area which may reduce future LLP bid levels.

Voids

The number of void properties (Chart 7a) in the LLP is 18 voids in 2017/18 as it was for 2016/17, though this has reduced from the 2015/16 peak of 25 properties, **Voids in the LLP area continue to be much higher than general (Chart 7b), suggesting there is still work to do on tenancy sustainment. St George's continues to have low level voids.**

LLP void/churn rates in the LLP have remained consistent at 11.69% of the total number of properties, whilst the average MHA void rate has fallen from 7.5% in 2016/17 to 6.70% for 2017/18. Lower churn rates are a general indicator of community and tenancy sustainability as well as desirability of an area; suggesting lower satisfaction and community cohesion in the LLP area than for other areas of MHA.

The reason for tenancy ends (chart 7c), shows that 55% were down to two reasons; a third of tenancy ends are down to transfers and 22% are due to the death of the tenant. There is no pattern to the remainder tenancy end reasons, each of the remaining 8 have a different reason ranging from a 'move to private rent' to 'size of property'.

Void turnaround times

In 2017/18 the average void turnaround time (Chart 8) was 27 days, an increase from the 2016/17 time of 21 days, with 7 of the 18 void LLP properties going over the 24 day target. Of these only 1 was delayed due to low demand requiring re-advertising. This suggests there is a significant improvement in demand in the LLP area.

There was only one refusal for all 18 void LLP properties in 2017/18. At 6% of the total this is a statistically insignificant number compared to the 40% refusal rate of 2016/17.

Conclusions

The LLP has supported demographic and economic change under a restricted criteria. During 2017/18 substantially fewer LLP residents registered on Homeseach to transfer, there has been an increase in eligible bids for properties and void periods, due to re-advertising periods, have reduced. However LLP average bids remain lower than MHA and Abergavenny average, and are significantly lower than for a Caldicot area with a similar stock

profile and similar demand for 2-bedroom apartments. This suggests there are still reputational barriers to overcome, and may indicate that a number of applicants are not bidding due to the LLP restrictions. Refusal rates, once a property is allocated, are lower with improved satisfaction.

The LLP restrictions have undoubtedly resulted in households with lower banding levels being housed in the area than would otherwise have done so, both in terms of the number of bidders being overlooked as not meeting the criteria, and of course there is likely to be a further number of households who will not have made a bid at all. This means that during the lifetime of the LLP some applicants in higher housing need have been overlooked, although the numbers of those in Bands 1 and 2 remains low for the Abergavenny area.

There has been a decrease in new ASB reports in 2017/18 however a number of ongoing ASB cases continue to require management. ASB casework and numbers are too small to give meaningful trend information. However apartments often have higher levels of ASB reported than other types of properties due to density and noise issues. There have been no new reports of ASB in St Georges Crescent in the past 12 months and this street has not had any end of tenancies, suggesting a very stable community and limited need for the LLP.

Ending the LLP puts at risk the progress made with change to the demography of the area, in terms of resident age and economic profile, as well as improving the public perception and resident satisfaction levels, however pressures on social housing continue to grow in Monmouthshire and continuing the LLP prevents access for some households.

The Local Authority may not support extension of the LLP due to the restrictions it places on those in higher housing needs, e.g. homeless households who are not economically active.

It is therefore the view of the authors that the LLP should continue to April 2020 to sustain the demographic, economic and improved housing demand in the area, and to support the aims of the Monmouthshire Wellbeing Plan².

Financial / Business Risk Consequences / Value for Money

Increased void rates due to fewer bids may be a consequence, although void rates are 27 days in 2017/18. Demand (bids) have increased significantly in the last two years, although remain much lower than the MHA average, including bids cleansed for eligibility. LLP properties are more likely to be let to people with little or no housing need.

Staffing / Personnel Implications

The LLP requires additional administration and monitoring, whilst the Homesearch, New Homes and Neighbourhoods teams require resources and time to offer estate management and respond to resident contacts about the LLP.

Environmental Implications

Continuing to operate an LLP will help to increase sustainable and balanced communities and lead to higher levels of customer satisfaction.

Equality & Diversity Implications

Although the allocations Policy permits the use of LLP's with the agreement of MCC, it should be noted that the LLP used by MHA does affect applicants on the basis of their age and employment status. The LLP aims to meet the needs of the wider community by managing demography and create a more balanced community.

Open- MHA will be open in the advertising of these properties, ensuring all applicants are aware of the additional criteria attached to the properties before bidding.

² http://www.monmouthshire.gov.uk/app/uploads/2017/10/Monmouthshire-PSB_well-being-plan_3.0.pdf

Fair- By introducing an LLP, this will help to alleviate pressures for the community by ensuring that all new allocations are to tenants less likely to be perpetrators of ASB, and to better support a balanced and diverse community.

Flexible- MHA will review the LLP regularly to ensure it is having the desired effect, before agreeing (or not) to continue with or amend the plan.

Achieving- By restricting the letting criteria in these streets MHA aims to reduce incidents of ASB, build a positive local reputation, ensure more sustainable tenancies and improve community cohesion.

Report authors: Emma Gallo, Homesearch Manager;
Julie Nicholas, New Homes Manager
Julie.nicholas@monmouthshirehousing.co.uk

LLP Report 2017/18 Charts

Chart 1a: ASB case reports

Chart 1a: ASB case reports	2014/15	2015/16	2016/17	2017/18 (to mid Feb 2018)
St Andrews Crescent	7	1	4	2
St David's Road	8	3	11	8
Llwynu Lane	4	0	0	2
St Georges Crescent	0	2	0	0
Total	19	6	15	12

Chart 1b: Economic activity profile

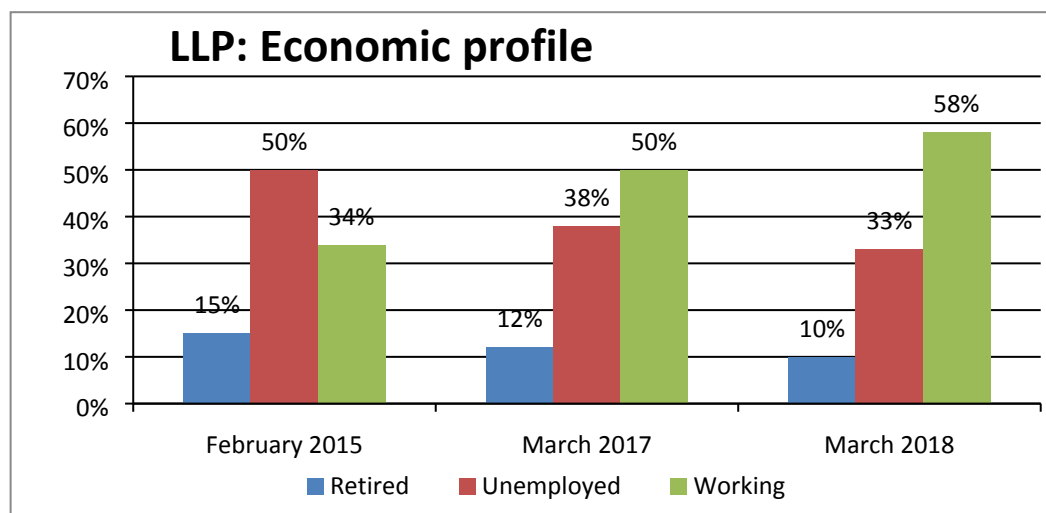


Chart 1c: Caldicot comparable streets and LLP: economic profile snapshot 2018

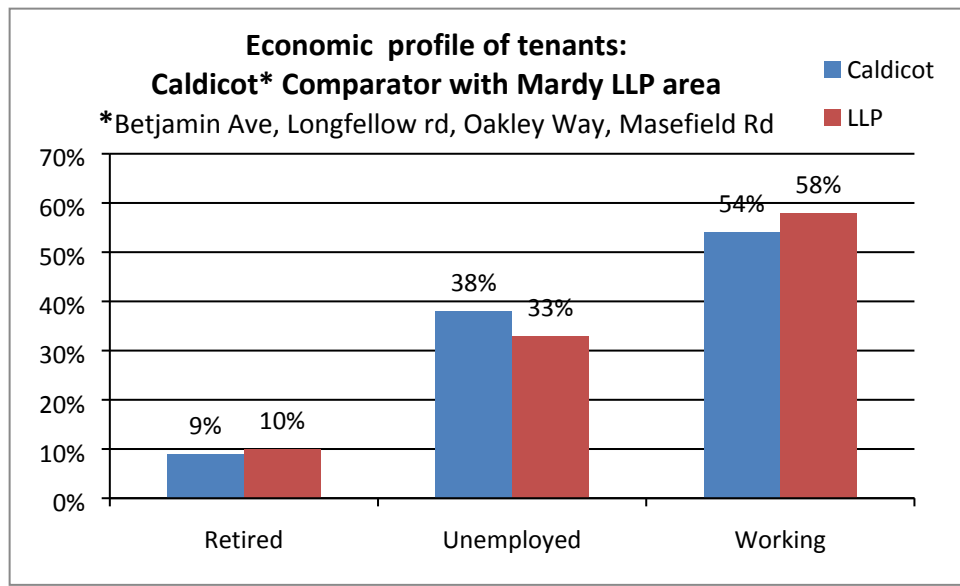


Chart 1d: Tenant satisfaction levels in LLP area and comparable area

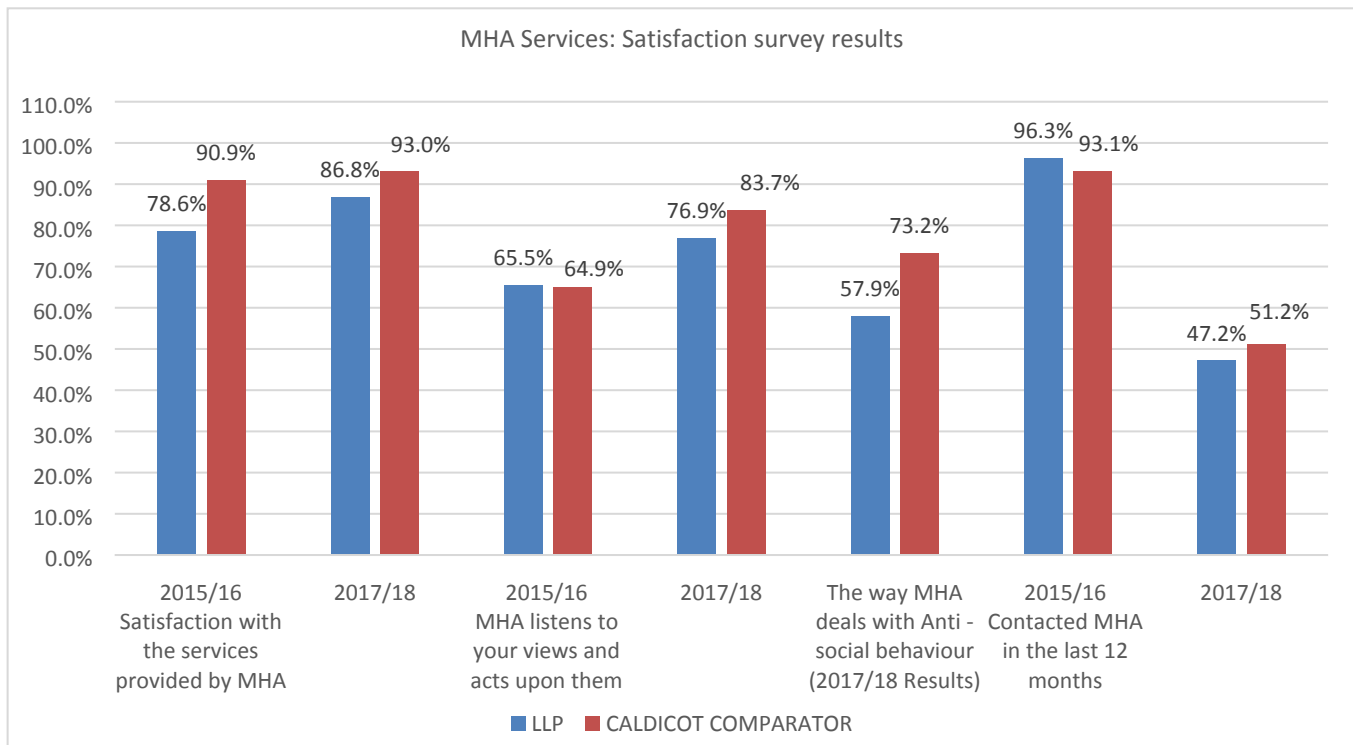


Chart 1e: LLP environmental works spend

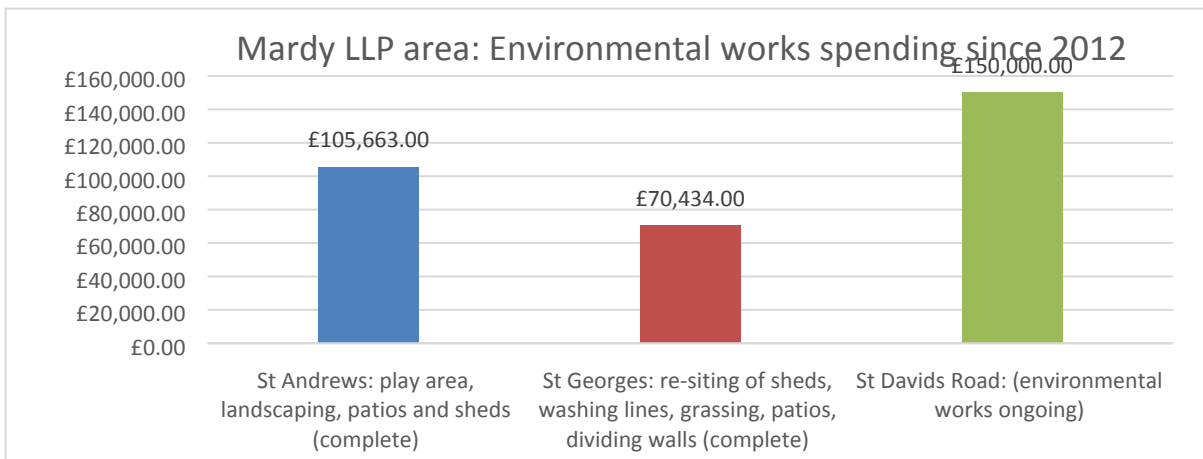


Chart 2: Type of ASB

Type of ASB	New Cases opened 2016/17	New cases opened 2017/18
harassment	1	0
noise	4	4
multiple	3	1
vandalism/damage	1	0
drug/substance misuse	3	2
threatening behaviour	1	0
domestic abuse	0	4
pets and animals	0	1
criminal behaviour	1	0
total	14	12

*** Additional 4 x 2016/17 cases continue (reopened) into 2017/18**

Chart 3: Homesearch registrations in LLP

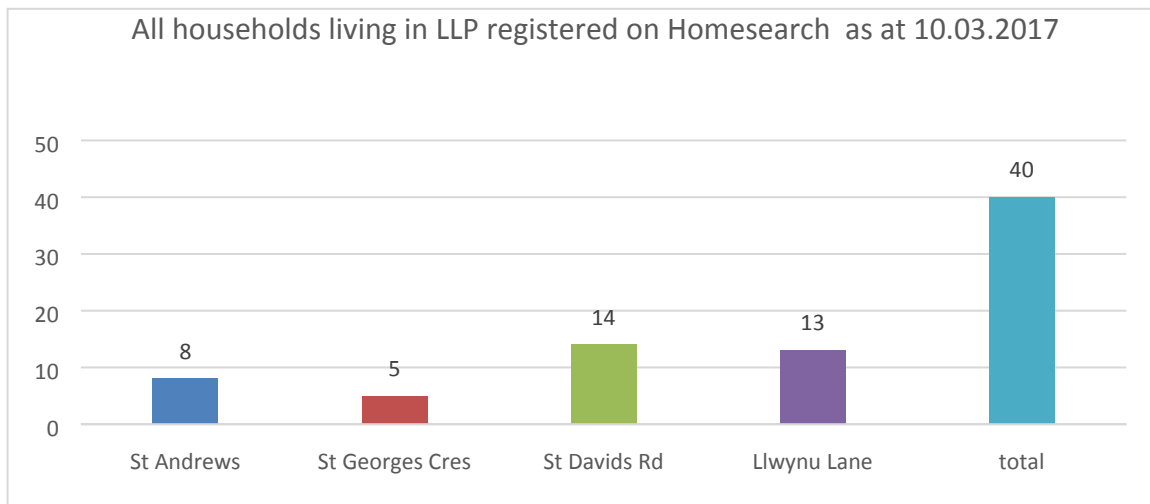


Chart 4a: New homesearch applicants by residents in LLP area by year

Table 4: New homesearch applicants by residents in LLP area by year

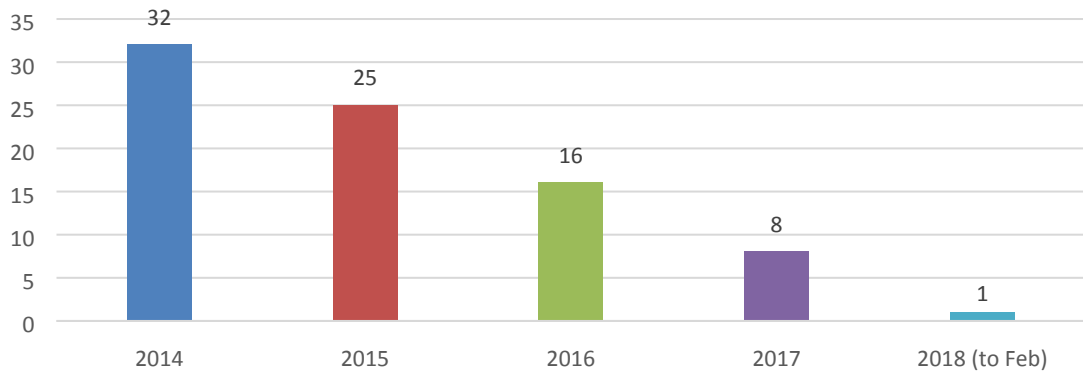


Chart 4b: Total MHA vs LLP tenants registered with Homesearch in February 2018

Chart 4b: Total MHA Tenants vs LLP tenants registered with Homesearch in Feb 2018	
Total MHA tenants registered on HS	415
Total MHA stock	3675
% MHA tenants registered	11.29%
Total LLP tenants registered on HS	26
Total LLP stock	154
% LLP tenants registered	16.88%

Chart 4c: Percentage of new homesearch registrations

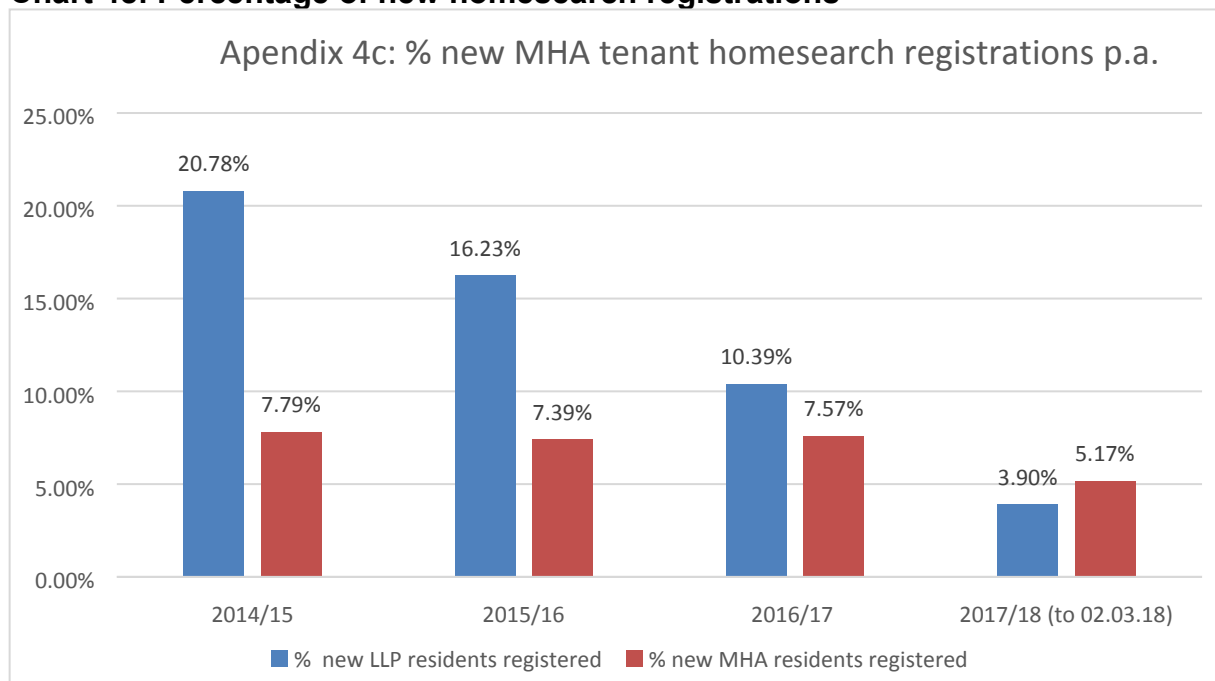


Chart 4d: HS applicants by reason for wanting move

Chart 4d: New Homesearch applicants from LLP area by reason for wanting a move	2014	2015	2016	2017	2018 (as at March)
Asked to leave by family/friends	4	2	1	0	0
Children in flats	1	1	0	0	0
Stated due to poor state of communal area	0	2	0	0	0
Harassment/neighbour dispute	2	2	1	0	0
Move near family/friends	4	2	1	0	0
Health/medical/disability reasons	6	4	5	2	0
Noise nuisance	0	2	0	0	0
Poor condition of property	0	2	0	0	0
Relationship breakdown	1	3	0	1	0
Property overcrowded	3	1	2	0	0
Bedroom Tax	2	2	0	0	0
Social Services Involvement	0	1	0	0	0
Would like to move from flat to house	1	1	1	0	0
Fleeing DV	1	0	1	0	0
Landlord served notice/insecure accommodation	3	0	1	0	0
To move to another community	0	0	0	0	0
To be near amenities/transport links	0	0	1	0	0
To be independent/leaving home	2	0	0	0	0
Move to sheltered	0	0	1	0	0
Smaller property wanted ¹	0	0	0	1	0
Other/not stated	2	0	1	4	1
Total	32	25	16	8	1

Chart 5a: Eligible bids per property

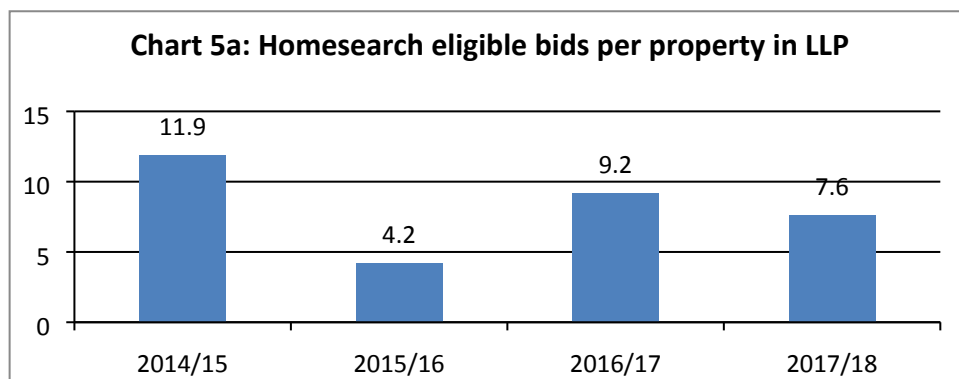


Chart 5b: Homeseekers housed in LLP by Band

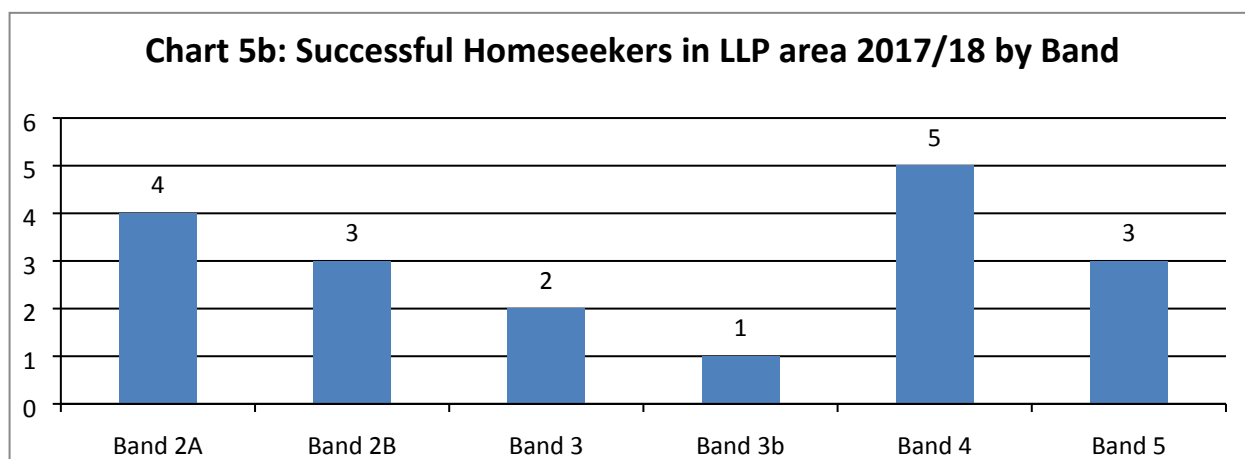


Chart 5c: Bids on 2 bedroom apartments 2017/18

2 bedroom flats: HomeSearch bids 2017/18	Number bids per property: All bids	Number bids per property: Eligible bids
LLP area only	16	8
All MHA	38	15
Caldicot area only (comparable streets)	47	37

Chart 6a: Lets in LLP by band

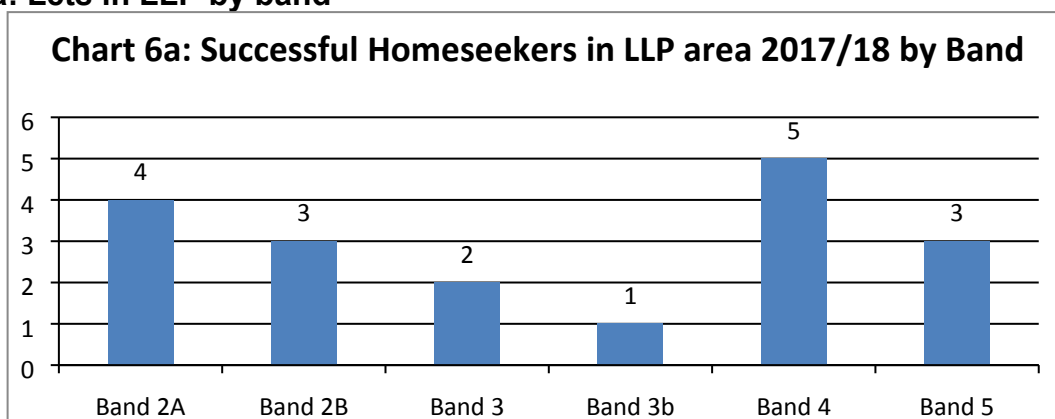


Chart 6b: Homesearch 2 bed apartment lets by banding 2017/18

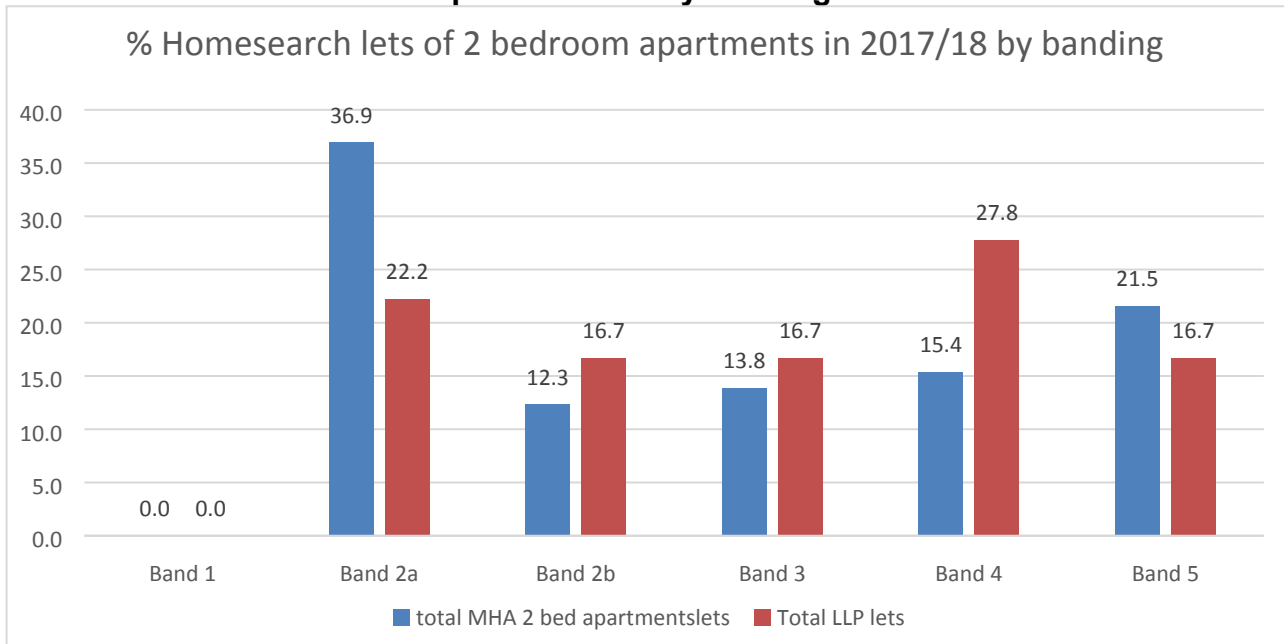


Chart 6c: Abergavenny homesearch applicants in housing need

Homesearch applicants with 2 bed need + Abergavenny 1st choice of area March 2018		
Band 1	0	
Band 2a=21	21	
Band 2b=7	7	Total Band 2: 28
Band 3a	99	
Band 3b	2	Total Band 3: 101

Chart 7a: Total voids in LLP

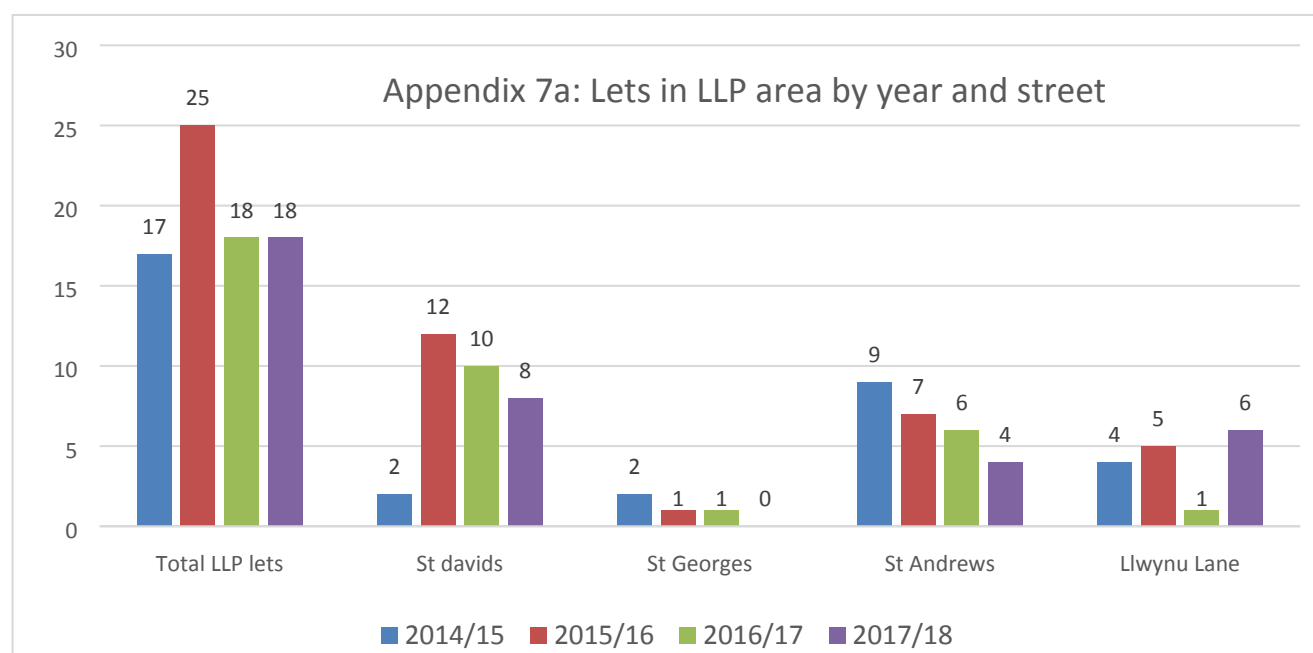


Chart 7b: Percentage voids in LLP compared to MHA

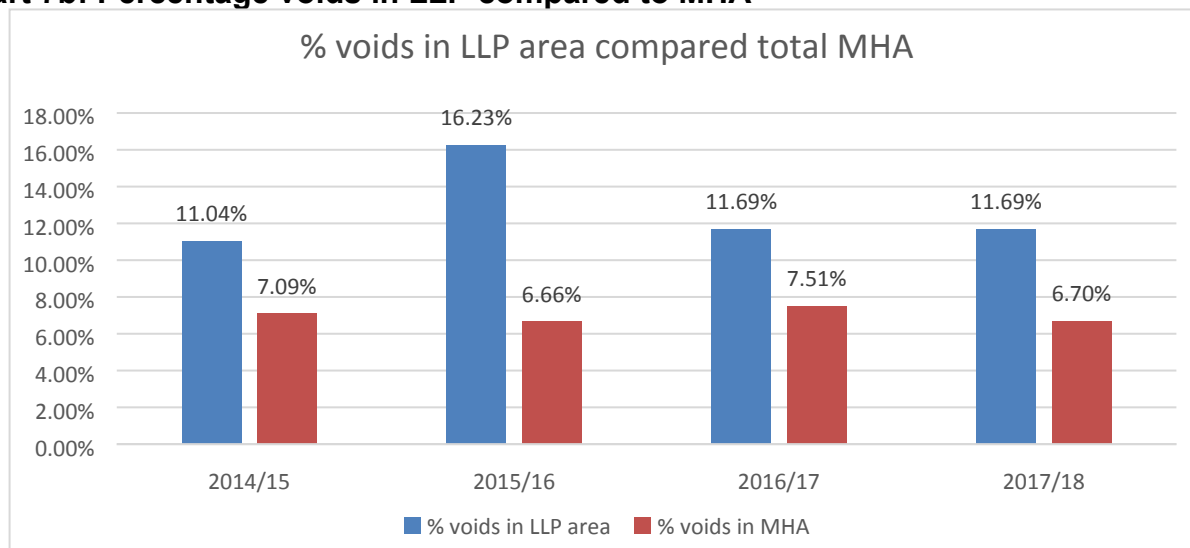


Chart 7c: reasons for tenancy end in LLP area 2017/18

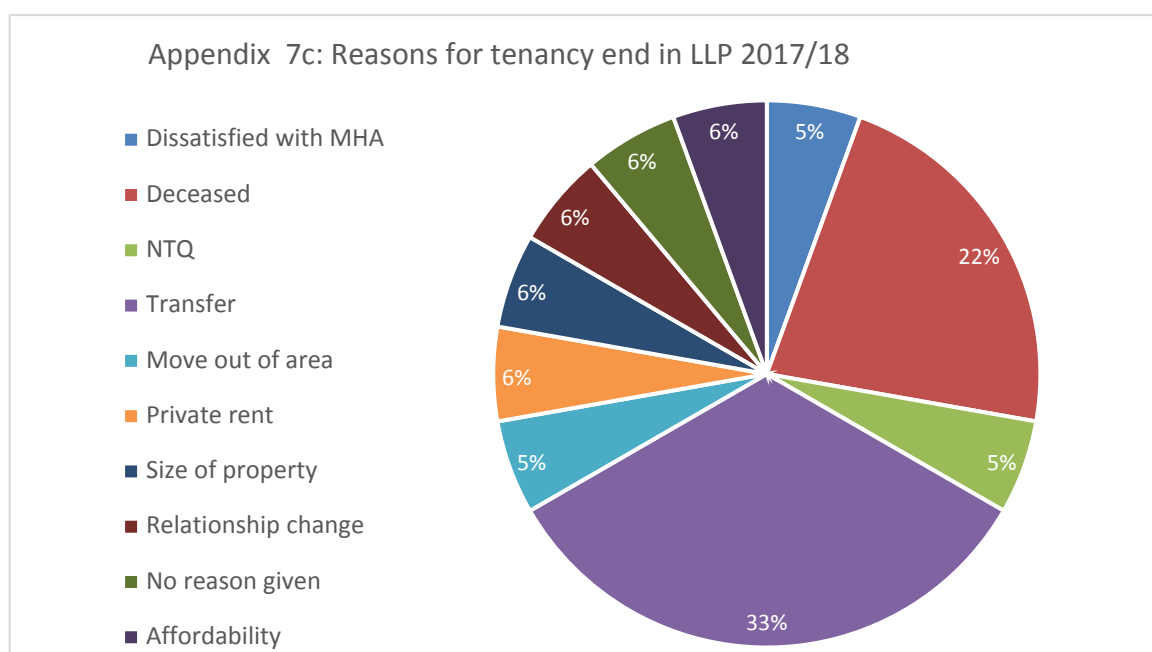


Chart 8: Void 2017/18- properties in LLP over turnaround target of 24 days

Address	Days void	Reason reported
11 ST DAVIDS ROAD	27	Admin error
64 ST ANDREWS CRESCENT	45	void works and delay to sign up
51 LLWYNU LANE	31	void works
72 ST ANDREWS CRESCENT	34	major works
37 ST DAVIDS ROAD	37	major works
41 LLWYNU LANE	91	void works
16 ST DAVIDS CLOSE	28	void works

Appendix 2

Evaluation Criteria – Cabinet, Individual Cabinet Member Decisions & Council

Title of Report:	Review of Mardy Local Lettings Policy
Date decision was made:	23.10.18
Report Author:	Ian Bakewell, Housing & Communities Manager

What will happen as a result of this decision being approved by Cabinet or Council?
<p>The decision will extend a temporary Local Lettings Policy, established in 2017, for a further two years policy. The policy will give priority to arising vacancies to those households in employment or over the age of 50 years.</p> <p>If the decision isn't approved this could be detrimental to</p>
12 month appraisal

What benchmarks and/or criteria will you use to determine whether the decision has been successfully implemented?
<p>The following benchmarks will be used to assess whether the decision has had a positive or negative effect:</p> <ul style="list-style-type: none">• The level of eligible bid for vacancies• Average void periods• The number of vacancies• The number of transfer applicants from existing residents• The number of anti-social behaviour reports• Tenant feedback
12 month appraisal

What is the estimate cost of implementing this decision or, if the decision is designed to save money, what is the proposed saving that the decision will achieve?

No direct budget savings will be achieved for the Council by implementing this decision. Nor will expenditure be incurred to implement the new policy itself.

The decision seeks to support Monmouthshire Housing to reduce expenditure relating to reduced void and empty property turnover and a reduction in staffing resources that may be needed in relation to disproportionate management requirements.

However, there may be a very small risk that the decision may impact on the Council's reliance on the Monmouthshire Housing social housing stock to discharge its homeless duty, which in turn could possibly result in the need to use bed and breakfast. To reiterate this is considered a very low risk and officers are confident that Monmouthshire Housing, who are extremely supportive of the Council's homelessness responsibilities, will work with the Council to mitigate this risk.

12 month appraisal

Any other comments

None