

New Build Council Housing – Local Letting Initiative

Report by Eibhlin McHugh, Joint Director, Health and Social Care

1. Purpose of the Report

- 1.1** This Report proposes a Local Letting Initiative (LLI) to be used for the allocation of housing at the completed new council housing development at Polton Street, Bonnyrigg.

2. Background

- 2.1** In May 2016 Midlothian Council revised its Housing Allocation Policy, and included in the changes it proposed that a Local Letting Initiative will be developed for each new build housing site prior to the allocation of properties, in order that we make best use of our housing stock, which includes how these are allocated. Scottish Government guidance requires that houses are let in a way that gives reasonable preference to those in greatest housing need, which makes best use of the available stock and helps to sustain communities.

- 2.2** The Scottish Government publication “Social Housing Allocations – A Practice Guide” refers to Local Lettings Initiatives, noting that legislation allows Registered Social Landlords to operate separate allocations policies for different parts of their stock.

However, a Local Lettings Initiative cannot take into account:

- (i) how long a household has been resident in the area
- (ii) previous rent arrears which are no longer outstanding
- (iii) age of applicant
- (iv) income of applicant
- (v) ownership of property (this is subject to change shortly as part of the Housing (Scotland) Act (2014))

- 2.3** Midlothian Council has previously used a Transfer Led Local Lettings Initiative to allocate new build housing in communities. This helped to create a chain of vacancies where transfer tenants would be able to move into a new build property and their existing home could, in turn, be reallocated to an applicant on the Housing List. However, the 2011 Inspection Report of the Scottish Housing Regulator noted using this method meant that sometimes the Council did not always allocate properties through its LLI to households with a recognised housing need. Consequently LLIs for new build properties must clearly address housing need.

2.4 There are currently 2,601 applicants on the Housing List for Bonnyrigg/ Lasswade area. This is the most popular area in Midlothian for Housing List applicants. However, only 655 of these applicants are actually resident in the Bonnyrigg/Lasswade area. Many current Bonnyrigg/Lasswade area residents face challenges in being housed in their own community due to the high demand for this area from applicants who are not resident in this community. There has been no new affordable housing built in Bonnyrigg/ Lasswade/ Poltonhall since 2012 and last year there was a total of 27 lets during 2015/16. This will result in many local residents requiring to move to another area in order to secure accommodation which meets their needs and this could impact negatively on their links to family, friends, employment etc.

2.5 Table 1 shows that 18 flats have been built, with a mix of 1 person studio flats, 1 person 1 bedroom flats and 2 person 1 bedroom flats.

Table 1: Housing Mix at Polton Street, Bonnyrigg

Property Type	Number of Properties
1 Bed, 1 Person Studio	5
1 Bed, 1 Person Flat	5
1 Bed, 2 Person Flat	8

2.6 In order to allocate these units in a way that ensures a balanced and sustainable community it is recommended that the following criteria are used to allocate the first let of these units. It is proposed that allocations will be offered in the following order of priority until all properties have been let:

- (i) Allocate suitable ground floor level access accommodation to households with a Medical Priority A or B to General Needs or Homeless Applicants who are currently resident in Bonnyrigg/ Lasswade/ Poltonhall.
- (ii) Allocate to existing council housing tenants who are under occupying their current tenancy by 1 or more bedrooms and are resident in the areas of: Bonnyrigg/Lasswade/Poltonhall.
- (iii) Allocate to Homeless or General Needs List Applicants who are currently resident in Bonnyrigg/Lasswade/Poltonhall and have chosen these as one of their area choices.
- (iv) Allocate to Homeless and General Needs List Applicants who have chosen Bonnyrigg/Lasswade/Poltonhall as one of their area choices but are not but not resident in these localities.

To ensure sustainability of tenancies properties will be allocated to households on the Housing List who do not have a history of anti social behaviour.

2.7 As noted in Table 1, above, there are 5 studio flats being let in Polton Street, Bonnyrigg. These are to be allocated to single people on the Housing List. Currently there is no base rental charge for Studio flats as Midlothian Council have no other studio flats in its housing stock. In Scotland in 2015/16 the average rent charge for a studio flat was £64.07 per week, while 1 bedroom

properties was £68.56 per week – a difference of 7%. The cost of constructing a studio flat was approximately 3.4% less than the 1 Bedroom 2 Person flat at this site (which in Midlothian is charged at £68.25 for new builds). It is therefore recommended that a new rent charge of £65.53 for studio flats is introduced to reflect the smaller size of these properties to be consistent with other Scottish landlords who charge less for studio flats compared to 1 bedroom properties.

3 Report Implications

3.1 Resource

Long term financial modelling demonstrates that the Housing Revenue Account can sustain the reduced weekly rental charge for the 5x studio flats within this development.

3.2 Risk

If the Council does not take into account the views of stakeholders and the analysis of letting outcomes in relation to the Housing Allocation Policy and Local Letting Initiatives it will fail to take into consideration local needs which could have negative consequences for the community.

In addition, there is a risk to the Council where the Housing Allocation Policy does not comply with legislation or guidance from the Scottish Housing Regulator. Commencement Orders for the clauses of the Housing (Scotland) Act 2014 which impacts upon housing allocation policy and practice which were due to be published in late 2015 are delayed.

3.3 Key Priorities within the Single Midlothian Plan

Midlothian Council and its Community Planning Partners have made a commitment to treat the following areas as key priorities under the Single Midlothian Plan:

- ☐ Early years and reducing child poverty
- ☐ Economic Growth and Business Support
- ☐ Positive destinations for young people.

The themes addressed in this report impact on the delivery of the Single Midlothian Plan outcome measures in homelessness and stable and balanced communities. Early intervention and tackling inequalities are key priorities for Midlothian Council and the Community Planning Partnership and these proposals meet those objectives.

- ☐ Community safety
- ☒ Adult health and care

- ☒ Getting it right for every Midlothian child
- ☐ Improving opportunities in Midlothian
- ☒ Sustainable growth and housing
- ☐ Business transformation and Best Value
- ☐ None of the above

3.4 Impact on Performance and Outcomes

A core aim in the revised Allocation Policy is to offer applicants to Midlothian Council flexibility in the type and location of housing they wish to apply for. A key strength of the management of council housing in Midlothian is tenancy sustainment and introducing a Local Letting Initiative for new build developments will ensure a sustainable community.

3.5 Adopting a Preventative Approach

The Council's Allocation Policy was reviewed in order to better reflect the needs and demands in Midlothian, and also take account of the Welfare Reforms introduced in April, 2013. The policy is based on a clear framework for prioritising applicants based on housing need and the reasonable preference criteria set out in legislation and aims to provide affordable, quality housing for people in need.

3.6 Involving Communities and Other Stakeholders

The use of Local Lettings Initiatives for new build housing was recommended as part of the revisions to Midlothian Council's Housing Allocation Policy which was reviewed in May 2016. The key elements of the Local Letting Initiative for this development are consistent with the aims of the Policy. Consultation was carried out with service stakeholders, including Social Work Adult Care, Children and Families and Legal and Audit services in relation to this report. External consultation had also been carried out with the Registered Tenant Groups and Registered Social Landlords in Midlothian, the Housing Association Forum, tenancy support agencies, Midlothian Disability Access Panel, Shelter and the Armed Forces Covenant Liaison Officer.

Members of Midlothian Tenants Panel have been consulted specifically in relation to this Local Letting Initiative for Polton Street, Bonnyrigg. Midlothian Council's Housing Allocation Policy and the Local Letting Initiative for Polton Street, Bonnyrigg will both be published documents which are available for tenants and housing list applicants to view.

3.7 Ensuring Equalities

The duties required of local authorities when letting their houses are set out in the Housing (Scotland) Act 1987 and the Housing (Scotland) Act 2001.

The revised Housing Allocation Policy was subject to a full Equality Impact Assessment in accordance with the Council's Equalities Schemes to ensure equality of opportunity.

The policy ensures that discriminatory practices and procedures are eliminated and that the needs of women, ethnic minorities, people with disabilities and other target groups are assessed.

3.8 Supporting Sustainable Development

Not Applicable

3.9 IT Issues

Not Applicable

4 Recommendation

It is recommended that Cabinet:

- a) Approve a Local Letting Initiative detailed in Section 2.6 of this Report for the allocation of housing at Polton Street, Bonnyrigg, to ensure the creation of a sustainable, balanced community.
- b) Agree to a reduced rent charge of £65.53 per week for the 5x studio flats in this development.

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