

Board 23 June 2009

Property Designations Procedure

Report by Director of Tenancy Services

For Decision

1. Introduction

1.1 This report summarises the findings of a working group of officers of Your Homes Newcastle and Newcastle City Council, the circumstances in which a request for a new designation can be triggered and the need for an ongoing programme to review existing designations. The report outlines a process by which groups of properties or discreet property types can be designated to potential applicants seeking accommodation as part of the Your Choice Homes choice based lettings scheme.

1.2 Strategic objectives

The appropriate designation of property supports YHN's strategic objectives of

- Three Star Excellent Services
- Support and care to communities

1.3 Recommendations

Board is recommended to

- Agree the overall approach outlined within this report
- Agree the additional trigger points outlined in paragraph 3.2.

2. Background

2.1 Put simply, 'Designation' is the setting of criteria used in the allocation of particular properties. These properties can be of a generalised type e.g. bungalows or at a specific location in the city e.g. a block or blocks of flats. Typically, in Newcastle as elsewhere this has meant setting a maximum or minimum age restriction which is used to guide staff involved in the letting of empty properties, which is also used in the advertising of properties when they are available to let. There are currently 2,788 designated properties in the city excluding sheltered accommodation.

- 2.2 As part of the review of Your Choice Homes, the YCH Lettings Board identified the need to review designations to properties managed by YHN. The purpose of the review was to produce a procedure through which the council and YHN could ensure that properties continue to be designated appropriately with formal approval for the operation of designations from both YHN and the council.
- 2.3 The review has been carried out by a small officer working group representing YHN's housing management service, Your Choice Homes and the council's strategic housing function. The review has been carried out against the context of a changing housing market, increased demand for city council homes and a number of other policy and procedural changes that have highlighted the need to review existing designations. These designations pre date the adoption of Your Choice Homes as the council's choice based letting scheme.
- 2.4 During the course of the review the working group established
- the baseline position regarding designations in operation
 - what proportion of that stock type these designations account for at neighbourhood, area and city levels
 - and benchmarked YHN and the city council position against high performing ALMOs and comparator Local Authority areas using questionnaires and desk top research.

3. Proposals

- 3.1 The main principles and features of this process are that:
- There will be a three year rolling review of all existing designations commencing during the current financial year and a series of triggers for other circumstances in which the process will be applied (see 3.2)
 - Where a review is timetabled or a trigger activated a desk top assessment will be carried out using relevant information regarding lettings, turnover, and any management issues associated with the group of properties under review.
 - Where on completion of the desk top assessment, further assessment is deemed necessary, and whenever there is likely to be any recommended change or amendment to an existing designation proposed, a fuller process will be undertaken and a report will be taken to YHN's Customer and Service Delivery Committee. Where there is no proposed change to the designation the decision will be delegated to YHN Director of Tenancy Services and reported to the committee for information. Decisions will also be reported to the relevant council scrutiny panel.
 - All reviews suggesting any change to the status quo will involve appropriate consultation with affected residents and local stakeholders using a consultation menu taking account of the views of Newcastle Tenants Federation Living in flats group expressed at paragraph 6.2 below.
- 3.2 It is proposed that a review of existing designations be conducted as a three year rolling programme commencing during the current financial year 2009 – 2010 and that this is the minimum requirement in ensuring that designations

remain relevant.

In deciding on any new application for designation, or where there are pressing housing management reasons it may mean that the procedure is implemented between scheduled reviews. Those reasons are:

- Analysis of lettings, customer demand, customer profiling and other relevant feedback information undertaken by Your Choice Homes which indicates that there may be an emerging need to consider further new designation or removal of an existing designation.
- At the request of Your Homes Newcastle housing management service in response to local circumstances, local knowledge, dialogue with existing or potential customers, in response to a significant and well evidenced local management problem, where there is evidence of significant unmet demand or where an existing designation is proving a barrier to housing particular customer groups.
- In response to local stakeholders, notably, local residents, Tenants and Residents Associations (TARAS), other representative community organisations and ward councillors.
- At the request of Newcastle City Council as a result of analysis of relevant lettings data. Such circumstances may include the need to promote the overall regeneration of an area through the application, amendment or removal of a designation.

4. Options

- 4.1 In producing the proposed procedure the officer working group carried out benchmarking research against a number of other comparable local authority areas and high performing ALMOs.
- 4.2 Within the context of this research it was clear that most if not all housing organisations refer to this issue within 'local lettings plans' or 'age restriction' rather than 'designation'. The circumstances in which they make designations also varies and, unlike the context of high demand currently experienced in Newcastle, the majority of instances of designation are made in response to particular or generalised issues of low demand.

Notwithstanding this difference, there are a number of common features:

- There is an accepted transparent and well understood process by which designations due to age restriction are made.
- Designations can be made for particular groups of properties or different property types.
- Designations are regularly reviewed to ensure they are still relevant and meet the needs of the housing organisation, their customers and stakeholders including existing residents.
- In the case of reviewing existing designation this is often as a result of the designation limiting demand for the properties under review i.e. the designation itself restricts the ability of the organisation to relet properties and causes unnecessary delays and higher empty property levels than if the designation was removed.

- The designation process can vary, but all involve a balanced judgement using relevant data taking into account factors such as levels of demand, turnover, lettings and refusals not only for the group or type of properties involved in the designation but also for the wider neighbourhood, area and organisation wide implications.
- Consideration is given to the balance of property types covered by designation and available to particular age groups and impact assessments carried out to avoid age related barriers to an age group's housing opportunities being created.

4.3 Whilst the proposals and recommendations contained in this report focus solely on age restrictions as the basis for designations, further consideration of the use of designations using wider criteria may contribute to any future introduction of local lettings plans in promoting balanced local communities.

5. Implications

5.1 Value for Money

By ensuring that the designations operated by Your Homes Newcastle remain relevant to the needs of existing and prospective customers, and responsive to ongoing analysis of levels of supply and demand in the local housing market, the process helps YHN minimise unnecessary rent loss either through continued inappropriate designation or the failure to respond to need to designate a group of properties and secure a change in management arrangements.

5.2 Resources

The procedure proposed will largely involve existing staff time in the completion of reports reviewing existing or proposing new designations, and may also involve some additional expenditure relating to postage and arrangements for tenants' consultation events where these prove necessary.

5.3 Impact on Services / Performance

Adoption of an agreed procedure for designation should ensure that our services are relevant to the needs of local communities and that any barriers to the effective management of housing stock caused by inappropriate age restrictions or the lack of age restriction are removed. In turn this should remove the potential for unnecessary concentrations of empty void properties.

5.4 Outcomes for tenants and leaseholders

For the first time, adoption of an agreed designation procedure will mean that tenants and leaseholders are able to influence YHN and the City Council's decision making process in relation to existing and any proposals for new designations. The procedure acknowledges their key role as a significant stakeholder in deciding on any designation request.

5.5 Risk

In the absence of an agreed designation procedure it is possible that YHN's reputation may be harmed through the development over time of an inappropriate balance between supply and demand or through the failure to

adopt new and appropriate designations.

5.6 Environmental

There are no environmental implications foreseen.

5.7 Legal Implications

During the course of the officers working group considering the question of designations, advice has been sought from Newcastle Legal Services. Their advice confirmed that designation is nothing more than a procedure that sets out 'qualification' requirements for certain groups of properties. They do not foresee any implications for the tenancy agreement used by Your Homes Newcastle or other potential legal issues arising from the introduction of this procedure.

5.8 Equality and Diversity

Having an agreed procedure for the adoption of new designations and the confirmation or amendment of existing designations will mean that officers will need to consider factual information on the balance between available properties and demand from different segments and age groups within the community. By doing so they will ensure that YHN does not indirectly or unwittingly set up barriers to people of different ages accessing YHN managed property. However for some customers it may mean that they are not eligible for housing in some specific blocks or types of accommodation.

6. Consultation

6.1 The officer working group has consulted on the procedure with the Newcastle Tenants Federation Living in Flats Group, the Newcastle City Council and YHN joint Lettings Advisory Group, the City Council's Executive Member for Regeneration and Housing, and internally with relevant officers of both Your Homes Newcastle and Newcastle City Council.

6.2 Newcastle Tenants Federation Living in Flats group response confirms that the group:

- Recognises there is a need for a formal process for designation and any changes to existing designations in place. Members of the group felt that communication about the process need to be transparent with tenants affected being consulted and due weight given to their views.
- Strongly supports the retention of existing designations for blocks to ensure that there is no conflict of lifestyles between different age groups and so that any review did not cause distrust and feelings of being let down.
- Allocations to families or young people in currently designated properties especially designated tower blocks would be an unwise idea.
- Consultation and participation options should include public meetings, meetings with tenants and residents groups, one to one survey work with affected residents and meeting with other local representative stakeholders and organisations. These included Council Ward Committee Meetings, the Quality of Life Partnership, and any local social organisation to which

residents may belong and any representative local Community Forums.

- 6.3 The current City Council Executive Portfolio holder for Regeneration and Housing has met with officers and confirmed that he is happy that the procedure should be adopted as part of the review of Your Choice Homes, subject to the City Council being advised of decisions and full consideration being given to the views of residents in designated properties.

7. Recommendations

7.1 Board is recommended to:

- Agree the overall approach outlined within this report including the need for a consistent fair and transparent designation process and the need for three yearly programme of a rolling review commencing during the 2009 – 2010 financial year.
- Agree the additional trigger points outlined in paragraph 3.2 above which will be used where a significant change in circumstances means an unscheduled review of an existing designation is necessary or where a request for a new designation needs to be considered.

8. Next Steps

- 8.1 Officers will progress the completion of all necessary and supporting documentation and will produce an agreed timetable for reviews to be carried out during 2009 – 2010; 2010 – 2011 and 2011 – 2012.

Background papers Background papers including detailed procedural guidance notes and other supporting documentation held by Designations Review Officer Working Group.

Contact officers Neil Scott, Director of Tenancy Services, 277 8711 x28711
Michael Morris, Principal Housing Manager Outer West and North 277 1188 x21188