



Overview Scrutiny Board 5 February 2018

Subject Heading:

Call-in of a Cabinet Decision relating to the approval of the Regeneration Local Lettings Policy.

Background to the Downsizing scheme in the Allocation Policy/Local Lettings Plan.

SLT Lead:

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Policy context:

Housing and Regeneration Programme, Local Lettings Plan and Decant Policy and Possession Procedure.

Financial summary:

The Local Lettings Plan and the Decant and Possession Procedure set out the offer and process that will enable the Council to gain vacant possession of Council tenanted properties involved in the 12 Sites regeneration programme. Approximately £6.9m has been set aside in the Housing Revenue Account to meet the costs of re-housing displaced tenants.

The subject matter of this report deals with the following Council Objectives

Communities making Havering	[x]
Places making Havering	[x]
Opportunities making Havering	[x]
Connections making Havering	[x]

SUMMARY

This report provides background information to the down-sizing scheme in the Local Letting Plan and the Allocation Policy relevant to the Call-in of the Cabinet decision. The information is provided to Overview & Scrutiny by way of information to inform the debate regarding the provisions contained within the various policies and the reasons for the call-in.

REPORT DETAIL

The report called-in from Cabinet on the 17th January 2018 asked Cabinet to agree a Local Lettings Plan and Decant and Possession Policy to support the 12 Sites regeneration programme, also reported to Cabinet on the same agenda. The background to those reports are contained in the January Cabinet papers and not repeated in this report.

The information in this report is specific to the call-in and provides the Board with the information relevant to the policies relied upon. Essentially the information is the supply and demand information that informs the Allocation Policy plus specific information from the tenants affected on the 12 Sites.

The Call-in states the following issues that need to be reviewed:

- 1) The aim of the Council should be to mitigate the impact on all residents who will be forced to move from their existing property to enable the essential regeneration to take place;
- 2) Council Tenants who hold secure tenancies will be amongst those most severely impacted during the regeneration period;
- 3) The Cabinet should reconsider the Plan as drafted and in particular revise part(para) 4.25 (as amended) of the plan because if implemented as proposed it will impact adversely on some secure tenants who are currently under occupiers and will penalise them at a time when they have endured a forced move.

One of the over-arching principles of the regeneration project has been the need to provide the utmost support to tenants and leaseholders directly affected; residents who are being forced to move because they currently live on the 12 sites. The level of resident consultation and engagement is one manifestation of this commitment. Whilst the strategic requirements and aims of the regeneration are clearly stated and understood, officers involved in the project have consistently identified that those needing to move home because of this are the most severely impacted and therefore need to be kept fully updated and their views sought and used to inform the processes.

The consultation process for the 12 sites has been regularly updated to Cabinet and the process specific to the 12 week consultation on the Local Lettings Plan

was reported to Cabinet in January. The Local Lettings Plan was originally presented to residents as part of the site specific meetings and feedback was taken from those events and used to inform the policy documents themselves. For example, the Local Lettings Plan documents were the subject of a Waterloo resident meeting in Winter 2016, and officers discussed the contents and ensured feedback was used to inform the final version. This was then uploaded onto the regeneration website in November 2016 and has been used ever since as the reference document for the rehousing of residents on the 12 Sites. The formal 12 week consultation period was therefore the end of the ongoing process.

The legislative and policy background to the way Havering allocates social housing is detailed within the Allocation Policy. The following wording is taken directly from that document and is useful background information to this Call-in:

1. INTRODUCTION

Havering is an area with a very high demand for social and affordable housing, and unfortunately a limited supply of homes to rent from the Council or Housing Associations, (also known as Registered Providers and Registered Social Landlords). The Council's policy has been designed to give real help to people in housing need. It also aims to reward those households who give something back to their communities through:

- *working, or*
- *fostering, or*
- *adopting, or*
- *having served in the British armed forces, or*
- *volunteering, or*
- *carer; or*
- *by choosing to release a large council property and move to a smaller one.*

Havering Council's Housing Allocations Scheme explains how we make decisions about who to let vacant properties to. It provides a framework for letting accommodation and assigning priority between those in need.

The Housing Allocations Scheme applies to existing tenants wishing to transfer from one tenancy to another and to new applicants, including homeless people. When we refer to 'applicant' in this document, it will refer to new applicants including homeless people and tenants wishing to transfer, (unless otherwise stated).

This Housing Allocations Scheme has been applied fairly to everyone who applies to join, or is already on the Housing Register, (sometimes known as the housing waiting list) and has been effective from July 2016.

1.1. Legal context

This Housing Allocations Scheme meets the requirements of the Housing Act 1996, (as amended by the Homelessness Act 2002), and the Localism Act 2011.

The Housing Act 1996, (as amended), requires local authorities to give 'Reasonable Preference' in their allocation policies. This means that we have to give priority for housing to people with high levels of assessed housing need. This could include:

- o Homeless people,*
- o People who need to move on welfare or medical grounds where their situation is being made worse by their current housing,*

- o People living in unsanitary, unsatisfactory or overcrowded housing, and*
- o People who would face hardship unless they move to another area.*

The Act also requires local authorities to state within their policy what their position is on offering applicants a choice of housing accommodation, or offering them the opportunity to express preference about the housing accommodation to be allocated to them. Our policy on choice is described below in Section 9.

This Housing Allocation Scheme complies with the requirements of:

- Housing Act 1996 (as amended)*
- Government's Code of Guidance*
- Localism Act 2011*
- Equality Act 2010*
- Havering Housing Strategy*
- London Housing Strategy*

1.2 Aims of the Housing Allocations Scheme

It is designed to meet all legal requirements and to support and contribute towards the Council's wider objectives. The Council is also committed to preventing homelessness and the Allocation Scheme focuses on supporting residents to actively pursue suitable alternatives to avoid becoming homeless.

The key objectives of this Housing Allocations Scheme are to:

- Provide a fair and transparent system by which people are prioritised for social housing.*
- Help those most in housing need.*
- Recognise residents who make a contribution to a local community.*
- Make the best use of Havering's social housing including those of our partner Registered Social Landlords*

In addition, the Housing Allocations Scheme has considered:

- The Council's statutory obligations and discretion as to who is eligible for housing allocation.*
- The Council's statutory obligation to provide 'reasonable preference' to certain categories of applicants set down by law, such as those who must be given a 'head start' under the Council's Allocations Scheme.*
- The Council's statutory discretion to grant "additional preference" and/or to determine priority between applicants with 'reasonable preference'.*
- The general and specific statutory discretions the Council can exercise when allocating housing in support of its Community Strategy.*
- The Council's participation in other mobility schemes including the Greater London Authority's Pan-London mobility scheme.*

The Housing Allocations Scheme is supported by a housing options approach giving applicants realistic advice and promoting other housing options.

Legal Principles

In order to adopt an Allocations Policy that is compliant with the legislation and good practice, the Council need to ensure the Allocation Policy meets the identified needs in the Borough within the resources it has. Where it is unable to meet those needs it needs to be able to show how it mitigates any adverse impact on the protected groups in particular.

The Allocation Policy is the process by which the Council ensures properties are allocated to those in most need and that the property best meets the needs.

The specific reasons for the LLP were included within the January Cabinet report and are therefore not repeated here. With regard to the issue raised in the call-in, the LLP merely applies the same rules as set out in the primary Allocation Policy

Supply and demand in the Borough

Unfortunately, there is a supply and demand gap in the borough where we have more families needing housing than we have properties for.

The table below identifies the level of demand and supply for the different property sizes in relation to the stock available and the type of property needed for those on the housing register and those impacted by the regeneration programme:

	Bedroom Requirement				
	1	2	3	4	5
Council Stock Supply	107	113	64	5	0
Regeneration Demand	166	84	70	20	1
Housing Register Demand	475	858	528	87	15
Net Supply of available properties	-534	-829	-534	-102	-16

The deficit supply of Council stock available to house residents permanently results in the use of temporary accommodation or people living in unsuitable permanent housing.

Any expenditure associated with homelessness is a General Fund pressure on the Council. The pressure this year is approximately £1.5m and expected to increase as a result of increased homelessness and homelessness duties due to come into force in April 2018 with the Homelessness Reduction Act 2017.

The table below is a snapshot showing the current number of households in temporary accommodation.

	Non-Secure Tenants	Hostel	PSL	Grand Total
LSA Licence 205			155	155
Managed General Needs 209			65	65
Non Secure Tenancy	139		802	941
Private Sector Leasing (APU) 203			1	1
Temp Accommodation		76		76
Grand Total	139	76	1023	1238
Average Weekly Rent charged to residents for 2 bedroom properties	£145	£117	£185*	

* Council may pay extra charge to Landlord

The Allocation Policy was reported to Cabinet in June 2016 and followed a period of formal consultation as required by the Housing Act 1985.

The Downsizing Scheme proposed by the policy and reviewed in the Housing Board Report May 2017 seeks to release under occupied properties to enable the Council to transfer/rehouse tenants, who are in need of larger properties.

As demonstrated in the table below, Council housing in the greatest demand by far is 2 bedroom properties.

<u>Waiting List data</u>		<u>Bedroom Requirement</u>					
Totals		0	1	2	3	4	5
Number of Households on the waiting list	2305	0.1%	27.8%	40.9%	25.9%	4.6%	0.7%
Number of Households on the waiting list (minus regeneration tenants)	1964	2	474	858	528	87	15
Overcrowded	715		76	306	292	34	7
Downsizers	180	1	96	73	10	0	0
Homeless	722		84	416	179	36	7
Other	347	1	218	63	47	17	1

*286 Homeless Duty, but do not meet residency criteria but adds to the demand pressure

Housing Advice and Homelessness

The Housing Advice team is the first point of contact for all residents who are seeking advice with regards to their housing circumstance.

Since 2015 there has been a continued increase in residents approaching the Council for housing advice. With the implementation of the Homeless Reduction Act 2017, the increase is set to continue as more applicants approach the service to exercise their rights in line with the new legislation.

Research and trials have shown that the number of residents approaching the Council is likely to increase by up to 45%. This will place significant pressure on the Housing Demand Service.

Housing Advice Approaches	Bed size required								
	1	2	3	4	5	6	7	8	Grand Total
2015/16	1179	619	187	40	2	1			2028
2016/17	1067	507	227	93	20	7	2	1	1924
2017/18	760	469	217	54	21	6	4		1531
Grand Total	3006	1595	631	187	43	14	6	1	5483

Following this first point of contact, the Housing Advice team work with each applicant to find a solution to their housing need.

Based on the current out turn from 2016/17 (1611) the team will be assisting more applicants in 2017/2018 (estimated). It is estimated that approximately 1900 applicants will be provided with assistance in 2017/2018 to resolve their housing need.

	2016/17	2017/18 Q1	2017/18 Q2	2017/18 Q3	2017/18 Q4 est.	2017/18 Outturn
Number of residents at risk of homelessness	1611	485	569	371	475	1900

Where all Housing advice and Prevention work have failed, the cases are referred to the Homelessness team.

The information below details the cases where a homeless duty is owed and permanent accommodation has to be provided.

This naturally comes at a cost to the Council in the form of extra payments to landlords and also the cost of managing the spiralling cost of the PSL portfolio.

There is going to be an increase in the number of applicants owed a homeless duty in line with the Homeless Reduction Act 2017. At present the highest demand for accommodation are the 2 bedroom families, these are also the most expensive accommodation to source locally.

Owed Homeless duty	Bed size required							Grand Total
	1	2	3	4	5	6	7	
2015/16	72	222	63	12	2	1		372
2016/17	79	111	62	21	8	2	1	284
2017/18	63	105	55	13	8	1	1	246
Grand Total	214	438	180	46	18	4	2	902

The assessed housing needs of tenants on the 12 sites

The process for identifying the needs of each tenant on the 12 Sites has been reported to Cabinet several times, the last being in the January 2018 Cabinet on the selection of the JVLLP preferred bidder. It is therefore not repeated here in detail other than where it is needed in response to the Call-in.

Item 1 and 2 of the call-in relates to the stressful situation of the regeneration process. The meetings with residents to understand their **housing needs** are captured in their rehousing assessment form.

It is this form that officers then use to help identify suitable properties. This form is also used to record any additional information or issues that the residents and their families want us to take account of when finding alternative homes.

We ask that all information is provided to us and that any changes in tenant's situations or needs are notified to us. We also ensure that the information is checked at the point of a property being identified so that we can be certain that the property meets the identified needs, including any special requirements notified to us.

Using the rehousing assessment form has enabled officers to achieve the high level of first time matches for tenants on the estates and the overall satisfaction levels with the entire process.

The rehousing assessment of the tenants affected by the regeneration programme demonstrated that 22% of tenants were currently living in a property that exceeded their housing need. Conversely 15% of households on the regeneration site were overcrowded.

		General Needs	Sheltered
Total Households affected by Regeneration		454	255
Living in a property that	Meets housing need	288 (63%)	255
	Overcrowded	66 (15%)	0
	Under-occupied	100 (22%)	0

As shown in the table below, there are currently 56 tenants living in a two bedroom property who have had their housing need assessed as needing a one bedroom property.

To date, 11 have successfully downsized and there are further 4 offers in the pipeline.

Total No. of Regeneration Under Occupiers	100		
Downsizers from 2 to 1	56	Completed moves from 2 to 1	11
Other downsizers	44	Accepted move to a property that meets housing need	28
		Wanting to move to property one more bedroom above housing need	16

The regeneration rehousing process allows vacant bedrooms gained by overcrowded households who are currently on the waiting list once the new properties are built. It will also ensure that properties are allocated according to housing need thus making use of all bedrooms appropriately.

The table below demonstrates the number of overcrowded households identified during the regeneration rehousing process. These households have and will continue to be rehoused according to their assessed need.

Total No. of Regeneration Overcrowded Households	65		
1 to 2 bed overcrowded households moved	11		
Other overcrowded households	21	Left to move	33

Measures Taken to mitigate impact to downsizing tenants

1. Downsizing Financial Incentive - £1000 for the first bedroom forgone; £500 for each room forgone thereafter
2. Offer to purchase storage facilities such as sheds
3. Flexibility on location, including out of borough
4. Solution found such as offering larger 1 bed properties and properties with a garden.

The Allocation Policy permits transferring tenants to retain one additional bedroom about assessed housing need provided that at least one bedroom is returned to the Council in addition to the financial incentives which apply to all bedrooms returned to the Council.

There is a high demand for two-bedroom properties which the Council is unable to meet based on the information above. The information reviewed as a result of the LLP and the Call in has identified the need to review the under occupation/down sizing elements of the Allocation Policy as part of the new review that is currently being carried out prior to asking Cabinet to authorise consultation on changes.

Where tenants move to another secure tenancy in the Borough then this will entail an assessment of their needs to ensure that the new property will be suitable to the tenant's needs.

Where there is a genuine need for two bedrooms, e.g. for a live-in carer, or for medical equipment or for a disabled relative who is a part of the household, then this need will be met within the existing Allocation Policy and Local Lettings Plan framework.

The Council also retains a general discretion when considering housing need to adopt a generous interpretation to assessing housing need in genuine cases for example where there is an exceptional medical need.

In considering the suitability of alternative offers, then the Council may also consider that the offer of a large one-bedroom flat, a flat with access to outdoor space, or with better amenity relevant to decisions in individual cases.

This policy applies to all transferring tenants, including the regeneration tenants, equally. Regeneration tenants are not subject to any different rules in the LLP that will not apply to existing tenants under the Allocation Policy.

This policy is necessary to support the Council's ability to meet the demand for two bedroom properties now, in the future, and, to facilitate the Council's policy to reduce overcrowding, under-occupation and those in unsuitable housing conditions.

The Allocation Policy is currently being reviewed as part of the Council's review of its homelessness and allocations functions and is expected that this will be brought before Cabinet in July 2018. This will be the subject of borough-wide consultation

including with registered providers and is a necessary precondition to any major changes in policy.

If the Council considers that the housing demands upon the Council clearly justify the Policy adopted, but considers that it may create an element of inconvenience to downsizing two-bedroom households, then the Council may consider whether this could be addressed by increasing the downsizing incentive for two bedroom households from £1000 to £2000.

Equalities implications and risks:

The public sector equality duty under section 149 of the Equality Act 2010 (“PSED”) requires the Council when exercising its functions to have due regard to: (i) the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010; and (ii) the need to advance equality of opportunity between persons who share protected characteristics and those who do not, and to foster good relations between those who have protected characteristics and those who do not. ‘Protected characteristics’ include: gender, race and disability, sexual orientation, age, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment. The Council is committed to improving the quality of life for all, and supports wider social and economic growth through social and physical regeneration.

The report to Cabinet in January 2018 reported that an Equality Impact Assessment had been undertaken and that it concluded that the benefits of the 12 Site Regeneration Programme outweigh the adverse impacts. The delivery of affordable housing was an important part of this assessment.