



CABINET

7.30 pm	Wednesday 16 December 2020	Virtual Meeting
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Members 9: Quorum 3

Councillor Damian White (Leader of the Council), Chairman

Cabinet Member responsibility:

Councillor Robert Benham

Cabinet Member for Education, Children & Families

Councillor Osman Dervish

Cabinet Member for Environment

Councillor Joshua Chapman

Cabinet Member for Housing

Councillor Jason Frost

Cabinet Member for Health & Adult Care Services

Councillor Roger Ramsey

Cabinet Member for Finance & Property

Councillor Viddy Persaud

Cabinet Member for Public Protection and Safety

Andrew Beesley
Head of Democratic Services

For information about the meeting please contact:

Debra Marlow tel: 01708 433091

e-mail: debra.marlow@onesource.co.uk



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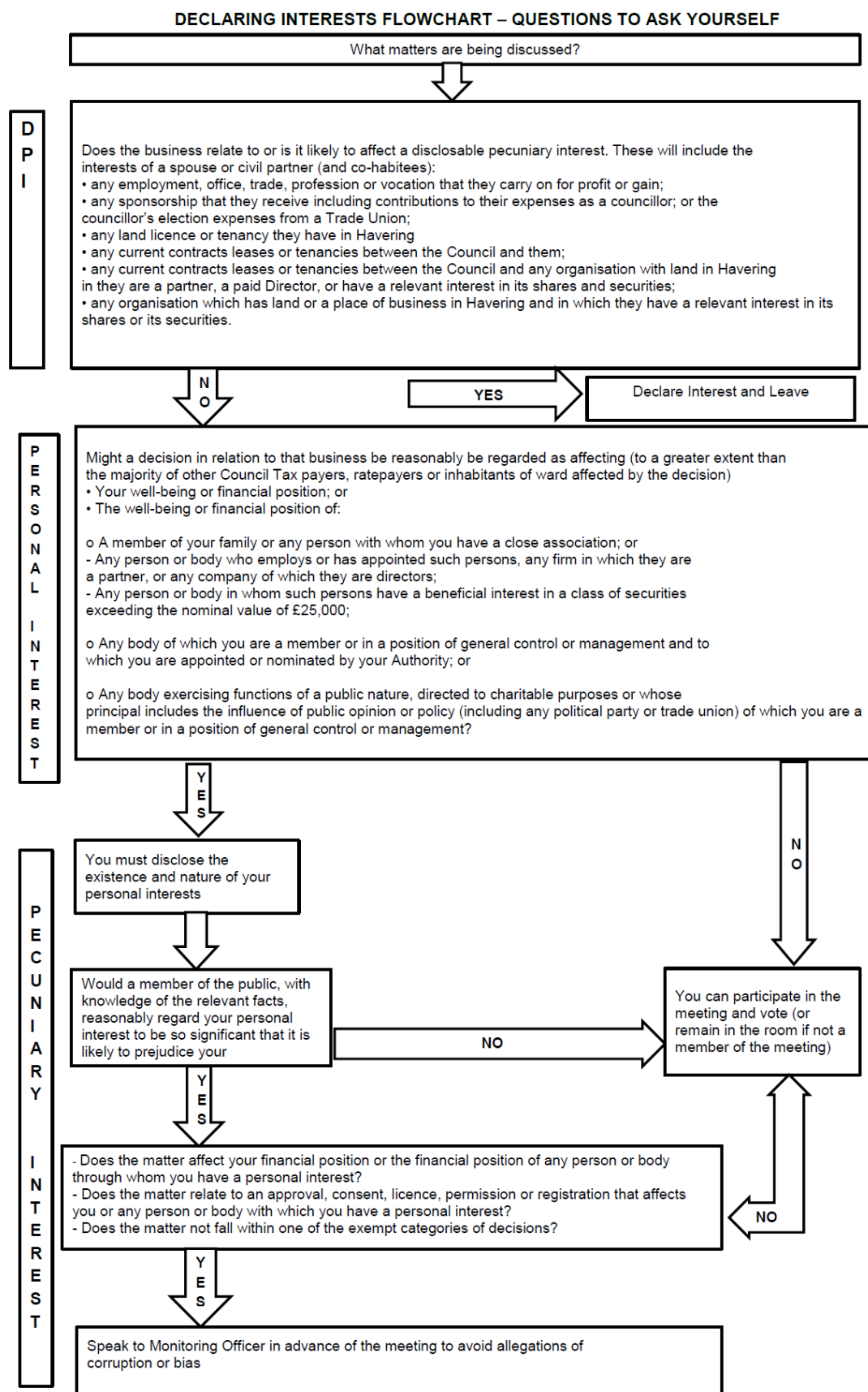
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AGENDA

1 ANNOUNCEMENTS

On behalf of the Chairman, there will be an announcement about the arrangements in case of fire or other events that might require the meeting room or building's evacuation.

2 APOLOGIES FOR ABSENCE

(if any) - receive

3 DISCLOSURES OF INTEREST

Members are invited to disclose any interests in any of the items on the agenda at this point of the meeting. Members may still disclose an interest in an item at any time prior to the consideration of the matter.

4 MINUTES

To approve as a correct record the minutes of the meeting held on 25 November 2020, and to authorise the Chairman to sign them.

5 CAPITAL LETTERS (Pages 1 - 10)

6 HOUSING ALLOCATION SCHEME 2021 (Pages 11 - 84)

7 HOUSING REVENUE ACCOUNT BUSINESS PLAN 2020-50 (Pages 85 - 106)

8 EXCLUSION OF THE PRESS AND PUBLIC

The reports included in agenda item 9 contain exempt appendices. Cabinet will consider whether the public and press should now be excluded from the remainder of the meeting on the grounds that it is likely that, in view of the nature of the business to be transacted or the nature of the proceedings, if members of the public were present during that item there would be disclosure to them of exempt information within the meaning of paragraph 3 of Schedule 12A to the Local Government Act 1972; and, if it is decided to exclude the public and press on those grounds, Cabinet to resolve accordingly on the motion of the Chairman.

9 BRIDGE CLOSE REGENERATION – FUNDING ARRANGEMENTS (Pages 107 - 210)



Havering
LONDON BOROUGH

CABINET

16th December 2020

Subject Heading:

Capital Letters – Procurement of Affordable Private Rented Sector Properties

Cabinet Member:

Councillor Joshua Chapman, Lead Member for Housing

SLT Lead:

Patrick Odling-Smee, Director of Housing

Report Author and contact details:

Darren Alexander 01708 433751
Darren.Alexander@havering.gov.uk

Policy context:

Havering Council have a statutory duty to accommodate homeless households in line with the Housing Act 1996 as amended by the Homelessness Act 2002 and use private sector market to fulfil these duties.

Delivery of the Prevention of Homelessness and Rough Sleeping Strategy.

Financial summary:

For an annual contribution of £100,000 from the Flexible Homeless Support Grant a saving of £170,000 could be delivered by provisioning properties through Capital Letters.

Is this a Key Decision?

Yes

When should this matter be reviewed? *N/A*

Reviewing OSC: *Towns and communities*

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

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

SUMMARY

1. In order to meet the objectives of the Prevention of Homelessness and Rough Sleeping Strategy and to reduce the costs of temporary accommodation and homelessness prevention this report proposes that the Council joins Capital Letters (London) Limited. This is a joint procurement vehicle for private sector housing between London boroughs formed with significant funding from the MHCLG. Joining Capital Letters is one of a range of options being proposed to meet the increasing homelessness demand and reduce the costs to the Council. To a degree, joining Capital Letters will also enable the Council to control placements by other London boroughs in Havering.

RECOMMENDATIONS

Cabinet is asked to:

2. Agree to join Capital Letters (London) Limited, a company limited by guarantee established by the London boroughs, as a **member**. This will procure or lease accommodation for the benefit of those London boroughs that become members of the company including signing the relevant Membership Agreement and Deed of Adherence.
3. Agree to pay the annual sum of £100,000 from the Flexible Homelessness Support Grant to Capital Letters.
4. The Agree that the Council is represented as a Member by Cllr Chapman and note that this can be changed subject to availability for any Member Meetings.

REPORT DETAIL

Strategic Objectives

5. The recently published Prevention of Homelessness and Rough Sleeping Strategy 20-25 outlines the need to reduce the numbers of households in temporary accommodation as well as improve the quality of accommodation on offer. This is being done through a number of different initiatives where we are:
 - Developing a new Private Sector Leasing Scheme and responding to the internal audit

- Addressing the needs to accommodate single people with complex in specialist supported accommodation
 - Delivering very effective homeless prevention service with a prevention rate of 87.5%
6. The housing pressures on low income households in London have perhaps never been higher. This pressure has been increased as a result of COVID-19 and the anticipated increase in homelessness when the ban on evictions is removed, the furlough scheme ends and redundancies increase. Even more than before a more co-ordinated effort is required from Councils across London to source an improved supply of suitable accommodation to meet demand.
 7. In March 2019, there were 84,740 households in temporary accommodation nationally across England, an increase of 76% since March 2011. 66% of these households are placed by London boroughs. Havering currently has over 800 households in PSL properties in the borough.
 8. The recent spikes in homeless demand where August and September has seen an increase of 29% and 63% respectively in homeless approaches on the previous year leading to inflated expenditure in our Find-Your-Own rent deposit scheme. Our highest spend to date reaching £118,000 in a single month. We envisage that a continuation of such an upward trend in homelessness approaches could lead to additional pressures to place in temporary accommodation and risk to the current rate of prevention of homelessness. It is imperative we continue to develop the service and provide as many pathways into alternative accommodation for households as possible. One of these pathways includes the Capital Letters programme.
 9. Properties procured by Capital Letters are a mixture of:
 - a. Private Rented Sector properties let by the property owner to households nominated by Councils, and;
 - b. Properties leased directly from landlords or managing agents.
 10. All properties procured in the borough of Havering by Capital Letters will be procured for Havering Council on a first refusal basis. Havering Council will establish a robust property matching service to ensure that all properties are let to Havering residents. The current position of Havering not being a member of Capital Letters means that other boroughs procuring properties in Havering as a members of the Capital Letters and we have no control or influence over them. As members of Capital letters we will gain some control on this activity to ensure local people benefit as far as possible.
 11. Havering will be able to transfer existing leased properties into Capital Letters, which as a private landlord will be eligible for 100% Local Housing Allowance (LHA) from the Department of Work and Pensions, which on average across London is £35p.w. higher than the current rate for borough let Tenancy Agreement, which is currently 90% of 2011 LHA levels. This will be done through

the termination of the existing lease and the landlord entering into a new lease with Capital Letters. This can be carried out through existing delegations.

12. Capital Letters also provides a tenancy sustainment service which is an integral part of the offer, enabling households to successfully maintain their tenancies, thus avoiding repeat homelessness, whilst also giving landlords confidence about the security of their income and condition of the property.

Capital Letters

13. Capital Letters was established in December 2018 to increase the supply of good quality rented accommodation for homeless households across London. They have already procured over 3,600 properties across London which have been used by the current 17 owning boroughs. Some of these have been procured in Havering and used by other boroughs. By joining the scheme we will get nomination rights to Havering properties and information regarding placements in other boroughs.
14. Capital Letters is a not-for-profit company limited by guarantee. It has been supported by MHCLG using top sliced Flexible Homelessness Support Grant, to alleviate the costs to boroughs of providing accommodation, to encourage greater efficiency, and provide extra staffing, IT and other resources to increase supply and improve the service offered to both tenants and landlords.
15. By removing competition and duplication of effort, and by providing an organisation to represent all the London boroughs, Capital Letters offers a simpler and more straightforward interface (a One Stop Shop) for landlords, managing agents and developers anywhere in London who are able to provide properties for those families and other households most in need of accommodation. Capital Letters also offers faster payments to landlords (on behalf of member boroughs) and the confidence that they will be supported during tenancies as well as the households living in their properties.
16. It is envisaged that Capital Letters will have a staff complement of circa 150 and an annual income of £23m. By this stage the company will have secured some 20,000 additional properties to help prevent and tackle homelessness, and will have an estimated 3,000 properties either fully or partially under its management.
17. Participating boroughs who become members of Capital Letters will initially second 2 members of staff from our property procurement team performing this function to Capital Letters or contribute equivalent financial amount.
18. Boroughs will be allocated at least as many properties over the first year as were procured by its staff in the previous year. Any additional properties are allocated to the participant boroughs in proportion to the staff resources they have contributed through secondment or funding of 2 members of staff recruited directly by Capital Letters.

19. The Capital Letters' governance process requires the third wave of boroughs to secure internal approval to join the company by mid-March 2021 so the Borough Representative Body can confirm their membership at their meeting on 23 March 2021. However, the actual date of implementation will be designed to suit Havering Council's internal timescales and operational arrangements. However procurement activity can commence prior to formal confirmation of membership.
20. Subject to the decision taken under this report and call-in, the Cabinet is asked to agree that Havering Council intends to join the company with effect from December 2020, or shortly thereafter.

This report asks Cabinet to agree that Havering Council become a **member** of Capital Letters (London) Ltd. Capital Letters is a not-for-profit Company Limited by Guarantee. Boroughs will become members of the company in order to participate in and benefit from its activities and access the MHCLG funding.

21. The company has been established as a private company limited by guarantee, owned and managed by the boroughs who constitute limited liability members of the company. The liability is limited to £1. It is also REg 12 Public Contract Regulations 2015 compliant.
22. The activity of the company is being supported by a digital Property Listing Platform (PLP). The system is operational and allocating properties to existing member boroughs.

Savings

23. The MHCLG has allocated £38 million over three years, top sliced from the Flexible Homeless Support Grant (FHSG). MHCLG funding is being used in the following three ways:
- Contribution to Private Sector Leases (PSL).
 - PRS placement incentive. This year the grant is £1,050 to top slice the incentive payment boroughs make to landlords for each PRS property we procure.
 - Central cost contribution, e.g. procurement staff, tenancy sustainment staff, IT and premises.

REASONS AND OPTIONS

Reasons for the decision:

24. The Prevention of Homeless and Rough Sleeping strategy outlines the need to procure accommodation of a higher quality and value standard to meet variations in need. With Capital Letters we are able to meet the homeless demand without placing additional pressure on placing households in temporary accommodation.

Other options considered:

25. As detailed in the body of this report, the Council is undertaking a range of activities to ensure there is supply to meet demand, where possible. This option compliments those already in use and/or being developed.

Do Nothing:

26. The directorate is likely to receive further demand challenges leading to additional cost to the Council and a return to bed and breakfast or nightly charged accommodation.

IMPLICATIONS AND RISKS

Financial implications and risks:

27. Although the provision of Find Your Own is one of the Housing's existing high cost areas, Capital Letters intervention will play a significant role in stemming demand and this provision over the long term is imperative to avoid the use of comparatively higher cost Bed and Breakfast (B&B) or other nightly charged temporary accommodation.
28. The Council currently spends £639k on incentives to prevent homelessness by enabling households moving into the private rented sector. Access to the supply of properties through Capital letters will reduce this cost through the subsidy provided by the MHCLG.
29. For an annual contribution of £100,000, Capital Letters will procure properties in Havering for use by the Council, which could deliver savings of £170,000 based on the model used in the other member boroughs. This is based on;
30. Avoiding placing 25 households into our own PSL properties at the net cost of £2,000 giving an annual saving of £50,000 and returning the properties to the Landlords
31. The Council currently prevents around 10 households a month from becoming homeless through the discharge of its duty. They are offered privately rented sector accommodation and support through a rent deposit. The average rent deposit is £1,000. Not making these payments could save £120,000 a year, based on 10 households per month at a saving of £1,000 each.

Other financial risks

32. The suggestion from MHCLG is the FHSG will be available in 2021/22 and provide a similar level of funding to this year. The grants availability is less certain thereafter.

33. Capital Letters is initially a 3 year arrangement, funded by MHCLG. What happens at the end of this term is uncertain at this stage, as are the risks to its member councils.

Legal implications and risks:

34. The recommendations in this report is for the Council to join and participate in the Company giving the Council access to MHCLG funding for the purpose of acquiring temporary accommodation letting to enable the Council to satisfy its obligations under homeless legislation. The Council is required to make funding available to the Company and the company can access the central funding for the benefit of residents.
35. The Company is a company limited by Guarantee and the Council's liability is restricted to £1. The Council will be required to nominate a representative to act as Member on behalf of the Council.
36. The Council has the power to enter the arrangement and join as a Member by exercising its general power of competence under s1 Localism Act 2011 which gives the Council the power to do anything that individuals generally may do subject to any statutory limitations.
37. The Council has a duty under the Housing Act 1996 to ensure that accommodation is available for eligible applicants who are homeless, in priority need and not intentionally homeless. s188 provides that interim temporary accommodation is made available if the applicant meets the appropriate criteria and where a housing duty is accepted under s193, the Council is obliged to provide housing assistance. In meeting that duty, s111 Local Government Act 1972 enables the Council to do anything which is calculated to facilitate, or is conducive to or incidental to, the discharge of any of its functions, this would enable the Council to join the Company as a member in order to meet its functions.
38. The arrangements are that the services will be delivered by the jointly owned Company outside any procurement regime under Public Contract Regulation 2015. Reg 12 permits direct award of services being delivered by companies jointly owned by public authorities, subject to a limit of no more than 20% of its activity being available on the open market. The final form of the arrangements for participation will be checked before any agreement is entered into.
39. Any secondment of staff is permissible by way of Reg 12 where the Council is able to provide services to the Company. Such arrangements are to be made with the consent of the individual member of staff.

Human Resources implications and risks:

40. The proposals contained in this report are likely to lead to the need to second Havering employees to Capital Letters (London) Ltd. All such secondments will be managed in accordance with the Council's Secondment Policy.

Equalities implications and risks:

41. The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have 'due regard' to:
- a. The need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
 - b. The need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
 - c. Foster good relations between those who have protected characteristics and those who do not.
42. Note: 'Protected characteristics' are age, disability, gender reassignment, marriage and civil partnerships, pregnancy and maternity, race, religion or belief, sex/gender, and sexual orientation.
43. The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants.
44. The provision of high quality private sector accommodation close to family and support will have a positive impact on the quality of life for households with protected characteristics.

Health and Wellbeing implications and Risks

45. The implementation of this programme will benefit the health and wellbeing of vulnerable residents. Capital Letters seeks to secure affordable, better quality private rented properties on the open market. There will be emphasis to place households in the Havering borough which will reduce the pressures of upheaval particularly for children in schools.
- LBH will support this delivery to ensure that rehomed ex-homeless households have full access to primary and secondary health services (including mental health) – recognising that the impact of homelessness can have a long lasting effect
 - Therefore working with landlords, managing agents etc., to build in links with health services, including substance misuse services where appropriate
 - Similar re access to employment, and ensuring that children living in households previously homeless have appropriate support to learning tools (e.g. access to wifi and remote learning devices)

BACKGROUND PAPERS

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CABINET	16 th December 2020
Subject Heading:	Housing Allocation Scheme (2021)
Cabinet Member:	Councillor Joshua Chapman, Lead Member for Housing
SLT Lead:	Patrick Odling-Smee, Director of Housing
Report Authors and contact details:	Darren Alexander 01708 433751 Darren.Alexander@haverling.gov.uk , Joe Agius 01708 434046 joe.agius@haverling.gov.uk
Policy context:	a) Consult on a comprehensive revision of the Council's Housing Allocation Scheme (2016) to ensure that all available Council housing is allocated consistently and fairly, in compliance with all current legislative and regulatory requirements. (b) This policy also takes into account the impact of COVID 19 on all affected stakeholders.
Financial summary:	It is anticipated that the implementation of this policy may involve minor financial implications.
Is this a Key Decision?	Yes
When should this policy be reviewed?	February 2022
Reviewing OSC	Towns and Communities

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

Communities making Havering [X]
 Places making Havering [X]
 Opportunities making Havering [-]
 Connections making Havering [-]

SUMMARY

The Housing Act 1996 Part VI requires local authorities to give reasonable preference in the way they allocate their available social housing.

Demand for social housing in Havering significantly exceeds the number of properties available. In the financial year 2019-2020, only two in every 10 households on the Council's Housing Register had a realistic prospect of securing social housing.

This draft policy proposes a number of revisions to the current policy (dated 2016) and sets out how social housing is prioritised, to ensure that it is fairly allocated to households in the greatest need. Prior to being implemented we are required to carry out a statutory consultation.

It also sets out how the Council will enable access to other forms of affordable housing, such as shared ownership and intermediate rented housing.

RECOMMENDATIONS

Cabinet is asked to agree the statutory consultation on the draft Housing Allocation Scheme attached as appendix 1.

POLICY DETAIL

Allocation Scheme Aims

The aims of the revised Allocations Scheme are to:

- ensure that we make the best possible use of the social housing stock;
- provide housing that is suitable to the specific needs and requirements of households;
- prioritise households that have been assessed to be in most need and to those who make a positive contribution to our community;
- help build sustainable communities and neighbourhoods, and
- ensure social and affordable housing is allocated in a clear, fair and transparent manner.

Consultation

The Housing Act 1996 Part VI requires significant changes to the housing allocation scheme to be consulted on with stakeholders and housing applicants. Following the authorisation of this draft scheme a formal consultation will commence. This will consist of:

- The draft policy and questionnaire being available on the council consultation portal;
- Draft questionnaire will be sent to key stakeholders such as housing association, neighbouring boroughs and voluntary sector organisations. See appendix 3.

The outcome of the consultation will be reported to Cabinet with recommendations for the adoption of the formal allocation scheme in April 2021.

IMPLICATIONS AND RISKS

1. Financial implications and risks:

It is anticipated that the implementation of this policy may involve minor financial implications.

2. Human Resources Implications and Risks:

The recommendations made in this report do not give rise to any identifiable HR risks or implications that would affect either the Council or its workforce.

Julian Sivil – HR Business Partner

3. Legal implications and risks:

Pursuant to Section 166A of the Housing Act 1996, every local authority must have an allocation scheme and must not allocate housing accommodation except on accordance with the allocation scheme. The allocation scheme must include the procedure for allocation of accommodation as well as the persons or description of persons by whom decisions are made.

- Public Sector Equalities Duty

The proposed changes relating to the residency requirement, income threshold and savings limit are changes that are open to the Council to make. In deciding whether to implement the proposed changes, the Council is required to undertake an Equality Impact Assessment and consider the impact each of the proposed changes would have on persons with protected characteristics. This should be done with a view to eliminating any potential unlawful discrimination. The draft Equality and Health Impact Assessment (EqHIA) attached to this report needs to

be developed to include further information relating to the impact of the proposed changes.

The relevant legal framework for this exercise is set out in Section 149 of the Equality Act 2010 and known as the Public Sector Equality Duty (PSED).

- Reasonable preference groups and the current reduced priority banding

It is a legal requirement under Section 166 A (3) of the Housing Act 1996 to ensure that 'reasonable preference' is given to persons falling within that section.

This section includes those who are homeless within the meaning of Part 7 of the Housing Act 1996, and not just those who are owed the full housing duty. Established case law supports the position that an allocation scheme should not seek to exclude groups of people within the reasonable preference categories.

This Report stipulates that "applicants previously placed under the Reduced Priority banding will no longer qualify for social housing". It is therefore important to ensure that those previously placed in the Reduced Priority band do not include persons who would fall within the 'reasonable preference' categories.

- Consultation, legitimate expectation and due regard to existing policies

When considering the proposed changes, the Council is required to have regard to its internal policies, including the Homelessness Strategy and Tenancy Strategy. The Council is also required to have regard to the London Housing Strategy. The legal framework for this requirement is outlined below.

Section 166 A (12) for the Housing Act 1996 provides that:-

A local housing authority in England must, in preparing or modifying their allocation scheme, have regard to—

- (a) their current homelessness strategy under section 1 of the Homelessness Act 2002,
- (b) their current tenancy strategy under section 150 of the Localism Act 2011, and
- (c) in the case of an authority that is a London borough council, the London housing strategy.

Prior to making the proposed changes, the council should consult with stakeholders and those who could be affected by the proposed changes. Additionally, the Council has a statutory duty to consult with every private registered provider of social housing and registered social landlord as well as its secure tenants. The form of consultation should be inclusive and robust to ensure that the duty to consult is satisfied.

The relevant statutory framework is outlined below:

Section 166 A (13) of the Housing Act 1996.

Before adopting an allocation scheme, or making an alteration to their scheme reflecting a major change of policy, a local housing authority in England must—

- (a) send a copy of the draft scheme, or proposed alteration, to every private registered provider of social housing and registered social landlord with which they have nomination arrangements (see section 159(4)), and
 - (b) afford those persons a reasonable opportunity to comment on the proposals.
- (14) A local housing authority in England shall not allocate housing accommodation except in accordance with their allocation scheme.

Section 105 of the Housing Act 1985

Consultation on matters of housing management.

(1) A landlord authority shall maintain such arrangements as it considers appropriate to enable those of its secure tenants who are likely to be substantially affected by a matter of housing management to which this section applies—

(a) to be informed of the authority's proposals in respect of the matter, and

(b) to make their views known to the authority within a specified period;

and the authority shall, before making any decision on the matter, consider any representations made to it in accordance with those arrangements

In addition to the above, the Council required to consult with those who would reasonably expect to be consulted. The Council should check and ensure that all those who were consulted when the 2016 allocation scheme was implemented (or when any previous amendments to the council's allocation scheme were made) are consulted also.

The Council is required to take into consideration all of the information received from the consultation exercise when deciding whether to implement the proposed changes. It would be unlawful to fail to do so.

- **Part 6 Final Offer to Part 7 homeless applicants**

Where an offer of accommodation under the Council's allocation scheme is made on the basis that a refusal would end the duties under homelessness legislation, the council must comply with the requirements of section 193 of the Housing Act 1996 which outlines the format for such an offer.

4. Equalities implications and risks:

The necessary Equality and Health Impact Assessment (EqHIA) is attached (please see appendix 2).

5. Consultation

Consultation with affected parties is essential to good practice.

Please see appendix 3 to view the proposed consultation paper and questionnaire.

In terms of administrative law, 'consultation' has a specific meaning and should be proportionate, fair, and inclusive. Sufficient time and information should be afforded to consultees to contribute valuable feedback after full and considered thought.

BACKGROUND PAPERS

Appendix 1: Housing Allocation Scheme (2021) Draft for Consultation

Appendix 2: Equality and Health Impact Assessment (EqHIA)

Appendix 3: Consultation paper and questionnaire

Housing Allocation policy

Draft for Consultation

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1. Introduction

Social housing is provided by social landlords – generally, local authorities or housing associations. However, it has been clear for some time that housing supply is not keeping up with demand. Affordable housing however is broader and includes all housing that has received a public subsidy or grant in its development.

Demand for social housing in Havering significantly exceeds the number of properties available. In the financial year 2019-2020, only two in every 10 households on the housing register had a realistic prospect of getting social housing. This policy sets out how the council will prioritise access to the available housing.

1.1 Purpose of this policy

The Housing Act 1996 Part VI requires local authorities to give reasonable preference in the way they allocate their available social housing to certain specified groups of persons referred to at 1.3 below.

The purpose of this policy is to explain how Havering Council (“the Council”) decides how available social housing is allocated. It sets out the Council’s eligibility, qualifying and housing need criteria to ensure priority is fairly allocated to households in the greatest need. It also sets out how the Council will enable access to other forms of affordable housing such as shared ownership and intermediate rented housing.

1.2 Aims of this policy

The aims of this policy are to:

- ensure that we make the best possible use of the social housing stock;
- provide housing that is suitable to the specific needs and requirements of households;
- prioritise households that have been assessed to be in most need and to those who make a positive contribution to our community;
- reward residents with a long attachment to the borough;
- help build sustainable communities and neighbourhoods, and
- ensure social and affordable housing is allocated in a clear, fair and transparent manner.

1.3 Scope of this policy

This policy applies to new applicants, (including homeless households), and to existing tenants transferring from one property to another.

The Housing Act 1996, (as amended by the Homelessness Act 2002, the Localism Act 2011 and the Homelessness Reduction Act 2017), requires local authorities to make all allocations and nominations in accordance with an Allocation Scheme. A summary of the Allocations Scheme must be published and made available free of charge to any person who asks for a copy.

This document is available on the Council’s website: www.havering.gov.uk and summary will be available as a paper copy on request.

The Housing Act 1996 (as amended) requires local authorities to give reasonable preference in their allocations policies to people with high levels of assessed housing need. The main groups are:

- People who are homeless as defined by the Housing Act 1996, Part 7;
- People who are owed a duty by any local housing authority under section 190(2), 193(2) or 195(2) (or under section 65(2) or 68(2) of the Housing Act 1985), or who are occupying accommodation secured by any such authority under section 192(3);
- People occupying insanitary or overcrowded housing, or who are otherwise living in unsatisfactory conditions;
- People who need to move on medical or welfare grounds (including any grounds relevant to a disability); and
- People who will suffer hardship to themselves or to others if they are unable to move to a particular locality or district.

The Act also requires local authorities to state within the policy what its 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.

1.4 Timescales for this policy

This policy will commence on XX XXXX 2021. It will apply to all applicants whenever they joined the housing register.

1.5 Annual Lettings Plan

Each year the Council sets out an annual lettings plan. The purpose of the plan is to fulfil the Council's statutory and local lettings priorities as set out in this policy. The plan will enable the Council to estimate:

- The number of Council and Housing Association properties likely to be available in the coming year;
- How many of these properties are likely to be allocated to particular banding groups.

In some instances, the estimated lettings figures in the annual plan may change due to the following circumstances:

- Where there are local lettings plans for particular developments, blocks of flats or roads (see section 3.6 for more information of local lettings plans);
- Where the Council wishes to fulfil a local housing priority or unforeseen circumstance during the lettings year.

Annual Lettings Plans are agreed by the Lead Cabinet Member for Housing.

1.6 Legal Context

This policy complies with the principles, requirements and guidelines of the following:

- Housing Act 1996
- Children Act 2004
- Equality Act 2010
- Localism Act 2011
- Homelessness Reduction Act 2017
- Allocation of accommodation: guidance for local housing authorities in England (June 2012)
- Providing social housing for local people (December 2013)
- Right to Move (March 2015)

- Improving access to social housing for victims of domestic abuse in refuges or other types of temporary accommodation (November 2018)
- Homelessness Code of Guidance for Local Authorities (2018)
- Prevention of Homelessness & Rough Sleeping strategy 2020-25
- Havering Housing strategy
- Havering Corporate Plan
- London Housing strategy

The Council reserves the right to expand, change or alter any element of this policy, as and when necessary, in order to meet changes in housing demand, capacity, resources, relevant case-law and legislation.

1.7 Equality and Diversity statement

All applicants will be invited to provide details of ethnic origin, sexuality, disability and other equalities information. Provision of this information will not be obligatory or a requirement for acceptance of an application. Such information however, will help monitor the number and types of applicants with protected characteristics seeking housing and their position under the policy, therefore applicants will be encouraged to supply the relevant information to be used for this purpose.

Equalities data will be kept and monitored on a regular basis to ensure properties are being allocated fairly. This policy will be monitored to ensure it does not operate in ways that discriminate against, or unfairly disadvantage, any particular group.

The Council will seek to ensure that this policy is operated in a manner that is fair to all sections of the community. The information provided will be kept confidential and treated with respect at all times.

1.8 Data Protection statement

The Council takes personal privacy very seriously and will never share an applicant's personal data without their prior knowledge and approval, unless required to do so by law. Section 166(4) of the Housing Act 1996 provides:

"The fact that a person is an applicant for an allocation of housing accommodation shall not be divulged (without his consent) to any other member of the public."

For full details about how the Council protects personal data, please visit [Havering Council Data Protection policy](#).

2. The Housing Register

2.1 Eligibility, qualification and housing need

The decision to accept an application to join the Housing Register will be made following an assessment of each of the following criteria:

- Eligibility;
- Qualification;
- Housing Need.

2.2 Eligibility

Only persons in one of the categories below will be eligible for social housing:

- British citizens;
- Certain Commonwealth citizens with a right of abode in the UK;

- iii. Citizens of a European Economic Area, (EEA,) country, ('EEA nationals), and their family members who have a right to reside in the UK that derives from EU law. The question of whether an EEA national, (or family member), has a particular right to reside in the UK, (or in another Member State), will depend on the circumstances, particularly the economic status of the EEA national, (such as whether he or she is a worker, self-employed, a student, or economically inactive);¹
- iv. Persons who are exempt from immigration control under the Immigration Acts, include diplomats and their family members based in the UK and some military personnel. This means that people subject to immigration control and certain other people from abroad, (outside the categories identified above), will not usually be eligible for social housing.

2.3 Qualification

To be placed on the Council's Housing Register, all of the following criteria must be satisfied:

i. **Age - Applicants must be 18 years of age or over**

The Council will not normally grant a tenancy to anyone under the age of 18 years unless another adult is prepared to act as their guarantor and agrees to cover the rent or any arrears.

Exception: The age qualification criterion will not apply where a young person, aged under 18 years, is owed a duty under current legislation², but is unable to access suitable accommodation other than by being given an offer of council or housing association accommodation. In exceptional circumstances, the Council can grant permission to occupy a property to an applicant under 18 years by means of an Equitable Tenancy Agreement.

ii. **Residency - Applicants must have lived in the borough of Havering continuously for at least ten years**

Local residency qualification within the terms of this policy will normally mean that an applicant has lived in this borough continuously, through their own choice, (not through detention or hospitalisation), for a minimum of ten years up to and including the date of their application. The applicant should remain resident in-borough in order to continue to qualify.

Time spent placed by the Council in designated temporary accommodation outside of the borough will count towards time spent in Havering.

Those placed in Havering via temporary accommodation, residential or supported housing by another local authority will not normally be considered as having met the local residency qualification.

Time spent away from the main/principal home in Havering due to periods of study, such as at university, will count as time in the borough.

Exceptions:

¹ Correct at the time of writing but may change as a result of changing regulations

² Under the Homelessness Reduction Act 2017 and the Children Act 2004

- a) The residency qualification criterion will not be applied to the groups specified in The Allocation of Housing (Qualification Criteria for Armed Forces)(England) Regulations 2012:
- Members of the Armed Forces and former Service personnel, where the application is made within five years of discharge;
 - Bereaved spouses and civil partners of members of the Armed Forces leaving Services Family Accommodation following the death of their spouse or partner;
 - Serving or former members of the Regular or Reserve Forces who need to move because of a serious injury, medical condition or disability sustained as a result of their service.
- b) People who are under-occupying their current social housing tenancy.
- c) Persons who fall within the statutory 'reasonable preference' groups:
- people who are homeless (within the meaning of Part 7);
 - people who are owed a duty by any local housing authority under section 190(2), 193(2) or 195(2) (or under section 65(2) or 68(2) of the Housing Act 1985) or who are occupying accommodation secured by any such authority under section 192(3);
 - people occupying insanitary or overcrowded housing or otherwise living in unsatisfactory housing conditions;
 - people who need to move on medical or welfare grounds (including any grounds relating to a disability); and
 - 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).
- d) Emergency cases where homes are damaged by fire, flood or other disaster - where it is not possible to repair the existing home, or if any work to repair is to take such a long period of time that there will be serious disruption to family life.
- e) Cases nominated under the Police Witness Protection Scheme or other similar schemes of which the Council has agreed to be party to.
- f) Households who need to move to the borough and where failure to meet that need would cause exceptional hardship to themselves or to others. Hardship grounds include applicants with the need to move:
- Under the Right to Move scheme³ where there is a genuine intention of taking up an offer of work;
 - To specialist facilities where they receive care;
 - To receive or give care/support which could otherwise result in higher care costs, or even the use of residential care for those who cannot move.

³ Right to Move is a central government scheme to assist social tenants who need to move to take up a job or live closer to work.

- g) People who qualify for assistance through specialist external mobility schemes (e.g. Housing Moves, HomefinderUK⁴).
- h) Cases with exceptional need that are not covered under this policy. For example, where child or public protection issues require rehousing, or for domestic abuse where all other options to remain in the home have been considered.
- i) Applicants who the Director of Housing and, at the very least, one other statutory agency (e.g. the Police, NHS), has agreed are unable to access suitable accommodation other than that given by the Council or a housing association.
- j) To ensure compliance with the judgment of the Court of Appeal in *R (Ward & Ors) v Hillingdon LBC; R(Gullu) v Hillingdon LBC, Equality and Human Rights Commission intervening* [2019] P.T.S.R. 1738.

This paragraph applies to an applicant whose household is either Irish Traveller / Romany Gypsy or non-UK national with refugee status in the UK and who would qualify under the policy for inclusion on the housing register, or once included be entitled to additional preference, but for their inability to demonstrate at least 10 years' continuous residence in Havering.

If, in the opinion of the Council, such inability is the result of their racial origin or related circumstances or lifestyle, the residence requirement will in the case of each provision be reduced from 10 years to 5 years provided the applicant can demonstrate to the Council's reasonable satisfaction that they have for the whole or substantial part of that period made a community contribution such as helping borough residents, undertaking paid, unpaid or voluntary work in the borough or being a recognised carer for an elderly or disabled adult or child, or other special reason to be decided on a case by case basis by the Council.

iii. Tenure - Applicants must not be the owner of a residential property

People who singularly, jointly or part-own a property in this country or abroad, which is reasonable for them to occupy, will not qualify to join the Housing Register.

People who have previously owned a property and have sold it within the last five years will be asked to provide proof of the sale, together with evidence of the proceeds received from the sale and what has become of them.

Unless they are unable to meet their housing needs from their own resources and require adapted or supported housing, they will not qualify to join the Housing Register.

Exceptions:

- a) Applicants where, at Housing Service's discretion, the Service is satisfied that the homeowner has exceptional circumstances. Examples include, but are not limited to, instances where they have a serious medical condition, are unable to remain in the property and are unable to afford suitable accommodation in the private market.
- b) Applicants aged over 55 years who have been assessed as being unable to meet their housing need from their own resources. The options for them will include the offer of being rehoused into sheltered or extra care accommodation

⁴ Housing Move is a housing mobility scheme provided by the Mayor of London that allows tenants of London boroughs or housing associations to move outside their existing borough to a different part of London.

and, in turn, agree to lease their property to the Council to use as temporary accommodation.

- c) Applicants who wish to be considered for low cost home ownership or intermediate rented products.

iv. Financial capacity.

Applicants whose income, savings and assets are above the level set by the Council will not be able to join the Housing Register, as they will be expected to meet their own housing needs or take up one of the other housing options in the borough through the Housing Opportunity Register.

This is because of the severe shortage of social and affordable rented properties in the borough.

Applicants will be asked about their income, savings and other assets when they apply to join the Housing Register. An income assessment will be made to assess whether they can afford to privately rent or buy in the borough.

At the time of writing (November 2020), the gross income threshold extends to a maximum of £50,000 per annum and savings of no more than £30,000.

The Council will on an annual basis review the income threshold based on local housing costs and household incomes and publish a new threshold for the year. Applicants whose gross annual household income exceeds this amount will only be eligible to join the Housing Opportunity Register.

Income Assessments -

Income assessments take into account the incomes of both the main applicant, their partner and any non-dependents. The assessment will include both gross income and income from benefits (excluding disability benefits). Households will not normally be placed on the Housing Register or offered social housing if their total income is above the set income level.

As part of the assessment, applicants will be asked to provide evidence of their household income, for example:

- Employed applicants – their last six months' payslips.
- Self-employed applicants – their last 18 months audited accounts. These applicants will be asked to provide evidence of their savings and details of any assets owned, which include:
 - bank current account statements;
 - building society, post office or any other savings accounts statements;
 - details of any other financial assets, such as stocks and shares, premium bonds etc.

Applicants who deliberately deplete savings or move them into the accounts of other family members may be disqualified from applying to join the Housing Register.

Applicants who cannot provide satisfactory evidence of their household income, savings and assets, or who choose not to complete the savings and income section of the application form, will be treated as having sufficient resources to rent privately in the borough and will not be accepted on to the Housing Register.

Exceptions:

- Members or former members of the Armed Forces where financial compensation has been received due to injury sustained on active service, this will be disregarded from any financial assessment.
- There may be very exceptional circumstances where there is a real emergency need to move. These will be considered on a case-by-case basis, with a decision being made by the Director of Housing in consultation with relevant partners.

v. Applicants convicted of unacceptable behaviour

Applicants who have been found guilty of unacceptable behaviour that makes them unsuitable to be a tenant will not be able to join the Housing Register. This type of behaviour would entitle the Council to take formal action against them. Examples of such behaviour include:

- Any person convicted of housing or welfare benefits fraud, where the conviction is unspent under the Rehabilitation Offenders Act 1974. The person may re-apply once the conviction is spent.
- Any person found guilty of sub-letting a Council or housing association property, or it being proved that they have done so in the civil courts.
- A person who obtains a tenancy by deception and/or false representations or omissions.
- A person who threatens, or uses, violence towards Council employees, contractors or Council members. This includes behaviour where there is persistent abusive or racist language directed at Council staff, Council members or other partner associations.
- Anti-social behaviour by the applicant or a member of his or her household which causes nuisance or annoyance.
- Racial harassment and hate crime.
- Transfer applicants who have caused damage or not looked after their property.

The Council will normally only determine that an applicant has been guilty of “unacceptable behaviour” where the Council or a current or former landlord of the applicant has successfully taken formal court action, civil or criminal, against the applicant or a member of the applicant’s household in respect of conduct, under any of the above headings by:

- the applicant;
- a member of the applicant’s household;
- a visitor to the applicant’s property.

Formal action will have had to have taken place within two years before their application to join the Housing Register and may take the form of:

- obtaining a legal remedy or criminal conviction;
- service of a possession notice, a pre-action protocol letter or other letter before claim;
- entry into an agreement for the purpose of avoiding/settling legal proceedings, including an acceptable behaviour agreement, and
- issue of an agreement to undertake works.

All applicants who do not qualify under this criterion may submit a new Housing Register application if their circumstances change and there has been a sustained period of change for at least the past year.

However, where the applicant has not complied with the terms of the formal action taken, (such as complying with a suspended possession order, or with an agreement to avoid or settle legal proceedings), or where new unacceptable behaviour has, in the Council's view, arisen, (whether or not further formal action has been taken in respect of it), the Council will normally continue the disqualification.

vi. Housing Need - Applicants must meet one of the housing need criteria.

Applicants who are considered not to have a housing need will be signposted and given relevant information/advice to solve their housing situation. They will be held on the new Housing Opportunity Register, where the Council may contact them in relation to alternative housing options that might assist in securing suitable housing.

Exception:

- Applicants who are eligible for sheltered housing or other affordable housing products other than social housing.

vii. Formal action against an applicant already on the Housing Register

If formal action needs to be taken against an applicant on the Housing Register, any housing offer made to them may be withdrawn and, possibly, membership of the register terminated.

Exception:

The Council recognises that there may be exceptional circumstances where the only way an exceptional housing need can be resolved is through the use of discretion. From the outset, the applicant will need to give a firm assurance that the unacceptable behaviour will not be repeated.

However, it should not be assumed that this alone will be considered sufficient grounds to end to the matter. The discretion to waive this criterion in such circumstances will ultimately require the approval of the Director of Housing, or a delegated Officer.

A person who is not permitted to join the Housing Register, or has been removed from the Housing Register has the right of appeal. Details about how to appeal can be found in section 5.1 of this policy document.

2.4 How housing need is determined

The following explains the grounds on which the Council determines housing need priority:

2.4.1 Medical

The medical element of the assessment is based on whether the applicant's health, or a member of their household's health, would improve by moving to alternative accommodation.

Consequently, medical priority is awarded according to the extent to which the health or welfare of one or more members of the applicant's household, is affected by their current housing conditions and the expected benefits of providing suitable alternative housing.

Applicants are asked to complete a Medical Assessment Form. A Housing Assessment Officer will consider the information supplied by the applicant, along with any further and necessary information supplied by other parties such as health professionals and housing officers.

Applicants claiming to have a severe and enduring mental illness will need to demonstrate that they currently have, or have recently had, access to Havering Mental Health Services.

Depending on the circumstances, medical priority can be awarded under the Band 1, Band 2a or band 3. The following table is used as a guide to how medical priority is determined:

Medical Condition	THE EFFECT OF CURRENT HOUSING ON THE APPLICANT'S HEALTH		
	Severe	Moderate	Low
Serious	Band 1	Band 2a	No medical priority
Moderate	Band 2a	Band 3	No medical priority

Applicants who clearly have an urgent need to move because they have a critical medical Condition, or very serious disability, will be placed in the Band 1- Urgent Need.

2.4.2 Hardship & welfare

a) Young people leaving care

If a young person who has been looked after by the Council, including those who have been placed out-of-borough, is ready to move into their own accommodation, they may be considered for housing on welfare grounds. To qualify, a young person must have been a 'relevant child' under the Children (Leaving Care) Act 2000. This means that they would have been looked after by the Council for a certain period of time, as directed by the Council's Leaving Care team, and would have had a pathway plan drawn up.

In most cases, young people leaving care will be ready to move into independent living with the support of Children Services. If the young person is ready to move-on and has developed the required life skills, (e.g. managing a budget, cooking, cleaning, etc.), the Council will support her/him to find suitable private rented accommodation.

However, some young people are more vulnerable than others when leaving care, and accommodation in the private rented sector would have a detrimental effect on their transition to independent living.

Such applications will be considered by a Care Leavers Panel, consisting of Senior officers from Housing Services and Children Services, who will determine whether to award priority for their social housing. See Shared Council Housing – For leaving carers 3.4.3

Applications from young people with other mitigating circumstances will also be considered.

b) Move-on from specialist or supported accommodation

Residents currently placed in supported housing, including those in institutional care, who are ready for independent living will be considered for move-on accommodation to help them achieve independence.

For the purpose of this policy, these will be people currently receiving social care services for a mental health problem; a physical disability or who have learning disabilities.

Applicants referred for move-on to independent accommodation will be considered for the full range of provision available - including private sector accommodation - to meet their housing need. Only cases with a demonstrable need for long-term settled accommodation will be prioritised for social housing.

c) Reciprocal Agreements

Other local authorities and housing associations sometimes request a rehousing arrangement on a reciprocal basis.

This arrangement would be considered where the nominated household would be 'at risk' in their current property, and the referring organisation is unable to intervene to mitigate the risk or rehouse the nominated household themselves.

Once accepted, the Council will provide assistance on the following basis:

- the Council will have nomination rights to the resulting vacancy or another property of similar type or size;
- the applicant will be placed in the Band 2b as an exceptional case and the nominated household be made one reasonable offer;
- the accommodation will be of a similar size and type to that currently occupied by the nominated household;
- the offer of accommodation will be at a safe distance to the current accommodation.

People approved under the Right to Move scheme⁵, and any other relevant schemes, will be covered within this provision.

2.4.3 Homelessness

This applies to people who are homeless, or threatened with homelessness, under the Part VII of the Housing Act 1996 as amended by the Homelessness Act 2002, and the Homelessness Reduction Act 2017.

2.4.4 Overcrowding

When assessing overcrowding levels, the Council will only take into account those people who are part of an applicant's household.

If the applicant needs an extra room for medical reasons, they will be assessed to determine medical priority – see 2.4.1 above.

Where an applicant is pregnant and entitled to a larger property, priority will only be given for overcrowding from when the baby is born. Where the applicant is not the main person who cares for the children named on their housing application, the children may not be taken into account in the assessment of overcrowding.

The applicant's living room and kitchen will not be counted as bedrooms. However, if their accommodation has more than one living room, only one of the living rooms will be counted as a living room and the others will be counted as bedrooms. Bed-sit and studio accommodation will be considered to have no living room.

Please note that bedroom areas less than 4.6 sq. m (50 sq. ft.) will not be taken into account when making the assessment.

⁵ Right to Move is a national scheme that allows Council tenants who need to relocate for a job to be prioritised for social housing in areas to which they previously did not have a personal link, placing them at the same priority on the housing list as veterans of the armed forces.

2.4.5 Households living in unsanitary conditions or unsatisfactory housing conditions

A tenant is living in unsanitary housing if their current accommodation does not have:

- a bathroom or a kitchen;
- an inside toilet;
- hot or cold running water.

A tenant is living in unsatisfactory housing if their current accommodation:

- does not have electricity;
- does not have gas;
- does not have adequate heating;
- is in disrepair;
- is unfit for human habitation.

The condition of their current accommodation will be verified by a member of the Council's Environmental Health Team and must have at least one 'category 1 hazard' that is or cannot be resolved by the landlord within six months. Examples of where this would apply include accommodation that has:

- severe damp;
- a major structural defect including subsidence, flooding, collapsed roof;
- been issued with a notice of statutory nuisance by an environmental health officer;
- been declared unfit for human habitation and is due to be demolished under the Housing Act 2004.

2.5 The Community Contribution priority

The Council believes that people who make a community contribution should have greater priority for accommodation allocated by the Council than those who do not, and operates a Community Contribution priority scheme. This scheme gives successful applicants increased priority for housing.

Examples of the community contribution are:

- working
- membership of the British armed forces
- volunteering

Full details are contained in appendix 1.

An applicant can apply for a Community Contribution priority at any time they apply to join the Housing Register, or at any time once they have been placed in the band 3 on the Housing Register.

It is the applicant's responsibility to apply for the reward and to provide proof to demonstrate that they meet the qualification criteria.

The Community Contribution priority will be reviewed each year and if an applicant is no longer making a community contribution then they will be moved to a lower band.

The Community Contribution priority will only be given to applicants who also meet the Housing Register qualification criteria. Verification will be sought at the point of application.

2.6 Housing bands

Havering Council's housing bands system is used to help determine how applications for housing are fairly prioritised.

It comprises five levels (bands) of priority and has been framed to help ensure that 'reasonable preference' is given to applicant households in order of their assessed housing need:

- **Band 1 – Urgent Need**

People who have an urgent need to move.

Category	Criteria Guide
Urgent medical or disability (Reasonable preference category S.166A(3)(d))	This applies to an applicant, or someone in their household: <ul style="list-style-type: none">• who is in hospital or residential care, and who cannot return home due to the unsuitability of the property;• who has a severe mobility issue; is housebound, and is unable to leave their accommodation without assistance that will result in a high risk to the applicant, household member or their carer/s.
Hardship and Welfare Criteria (Reasonable preference category S.166A(3))	This applies to an applicant, or someone in their household, whose circumstances, or a combination of circumstances, are considered to be life-threatening, and where the need to move is supported by health professionals, the Council's Housing and Social Services and a senior Police Officer or a MARAC ⁶ assessment.
Decants - major works or demolition (Reasonable preference category S.166A(3)(c))	<p>This applies to Council tenants who are required to move because their current home is due to:</p> <ul style="list-style-type: none">• be sold, and/or• be demolished or• have extensive works completed, or• be refurbished (which may include conversion works), meaning that they will need to move out their current accommodation while the works are taking place. <p>Please note: that this condition does not apply private sector leased properties.</p>

- **Band 2a**

Category	Criteria Guide
British Armed Forces/Reserve Forces personnel	<p>This applies to:</p> <ul style="list-style-type: none">• A household member who is, or has been:<ul style="list-style-type: none">- a serving (or former serving) member of the British Armed Forces/reserve forces, and who has made a Housing Register application within five years of their discharge;- a serving (or former serving) member of the regular or reserve forces, who needs to move because of a serious

⁶ MARAC - A Multi Agency Risk Assessment Conference (MARAC) is a victim-focused information sharing and risk management meeting. The role of the MARAC is to facilitate, monitor and evaluate effective information sharing to enable appropriate actions to be taken to increase public safety.

	<p>injury, medical condition or disability sustained as a result of their service;</p> <ul style="list-style-type: none"> - a bereaved spouse/civil partner of a member of the British Armed Forces, leaving Services Family Accommodation following the death of their spouse. <p>Members of the armed forces or their spouses do not need to demonstrate a community contribution.</p>
Working households	This community contribution priority is given to an applicant who is part of a working household in paid employment if more than 16hrs per person a week for a continuous period of 12 months
Disability	<p>This applies to:</p> <ul style="list-style-type: none"> • A household member who is disabled and under retiring age, and who has been assessed as eligible for the support element of the Personal Independence Payment (PIP) scheme, due to a permanent disability which prevents them from working or volunteering and therefore not able to give a community contribution.
Care Leavers (Reasonable Preference category s166A(3)(c))	<ul style="list-style-type: none"> • The applicant has been accommodated by Havering Council's Children and Young Adults Services, and where it has been confirmed by the service that they are now ready to move on to alternative (e.g. independent or supported) accommodation. • The applicant has been assessed as having the life skills to manage a tenancy - including managing a rent account - and has the appropriate support package in place. <p>Care leavers do not need to demonstrate a community contribution.</p>

- **Band 2b**

Council tenants, with a fixed term tenancy coming to an end, referred to a new property	This applies to situations where the Council originally intended to grant a new tenancy for the current property, but has subsequently decided to grant a tenancy of an alternative property. For further information, please view the Council's Tenancy policy .
Council service tenants where there is a contractual obligation	<ul style="list-style-type: none"> • The applicant is a Council employee who has been living in tied accommodation (i.e. provided to them as part of their work) but needs to move out due to: <ul style="list-style-type: none"> (a) retirement, or (b) redundancy, or (c) the Council is changing, or has changed, the terms of the employee's employment.
Succession rights where property is not suitable	The applicant lives in a Council property and has the right of succession following the death of the tenant, but the property is too large; has had adaptations to the property that they no longer require, and/or there is an age restriction that renders them ineligible to hold the tenancy of the property.
Release of adapted property	The applicant is a Council tenant who is willing to transfer to a suitable, non-adapted property and is releasing an adapted house or designated older persons property.

(Reasonable preference category S.166A(3)(e))	
Under-occupation (Reasonable preference category S.166A(3)(e))	<ul style="list-style-type: none"> The applicant is a Havering assured⁷ or secure⁸ tenant who wishes to downsize. Please note that this excludes tenants living in privately leased accommodation.
Foster carers referred by the Council's Children's Service (Reasonable preference category S166A(3)(d) or (e))	<ul style="list-style-type: none"> The applicant is a registered Havering Council foster carer where their current housing situation prevents them from being able to start, or continue to provide foster care or adopt.

• **Band 2c**

Category	Criteria Guide
Volunteer (Reasonable Preference category s166A(3)(c) and (d))	<ul style="list-style-type: none"> A member of the household has been a volunteer or an unpaid worker for more than 16 hours a week and has been continuously for the last 6 months.
Carer (Reasonable Preference category s166A(3)(c) and (d))	<ul style="list-style-type: none"> The applicant gives care to a Havering resident that is substantial and ongoing.
(b) Move on from specialist accommodation (Reasonable Preference category s166A(3)(c))	<ul style="list-style-type: none"> The applicant is moving on from specialist accommodation provided by either; Havering Council's Social Services Team, North East London Foundation Trust (NELFT,) or another registered supported housing provider in line with an agreement with Havering Council's Housing Service. The applicant has been nominated as part of an agreement with a single homeless accommodation provider in Havering, where they are in need of settled accommodation and unable to secure it. The applicant has been assessed as having the life skills to manage a tenancy, including managing a rent account and the necessary support package in place.
Homeless households owed a full homeless duty under section 193(2) or 195(2). (Reasonable Preference categories s166A(3)(a)(b))	<ul style="list-style-type: none"> Where it is in the overriding interest of the Council to prioritise an allocated place, in order to make best use of Havering's resources. Where the landlord wants the temporary accommodation property back and where; a) the tenant has been in temporary accommodation for 7 years, b) the Council has been unable to find alternative suitable temporary accommodation (i.e. end of lease agreement).

⁷ An assured tenancy is for a fixed period , for example; one year

⁸ A secure tenancy is for a lifetime period.

Unsanitary conditions where the conditions pose an ongoing and serious threat to health (Reasonable preference category S.166A(3)(c))	<p>The applicant is the owner-occupier/private tenant and the Council's Environmental Health Team has determined that:</p> <ul style="list-style-type: none"> the property poses a category 1 hazard under the Housing Health and Safety Rating System (e.g. crowding and space, excessive cold or risk of falls) and the Council is satisfied that the problem cannot be resolved by the landlord within six months, and as a result, continuing to occupy the accommodation will pose a considerable risk to the health of the household (this would include properties that have severe damp and major structural defects such as subsidence, flooding, collapse of roof) or the household is living conditions which are represent a statutory nuisance, and there is no prospect of the problems being remedied within a 6 month time period, or that; as an owner-occupier/private tenant, the applicant has been issued with statutory notice by the Environmental Health Team, stating it is an unfit property to be demolished under the Housing Act 2004.
Reciprocal arrangement	<p>The Council will only agree to reciprocal requests from other authorities and Registered Providers where they can demonstrate that there is imminent personal risk to the tenant or their family, and the accommodation is required in Havering, and that the reciprocal property being offered will be beneficial to Havering residents with high priority to move.</p>

- Band 3**

People who have a need to move but do not qualify for Community contribution priority.

Category	Criteria Guide
Homeless households owed a full homeless duty under section 193(2) or 195(2). (Reasonable Preference categories s166A(3)(a)(b))	<ul style="list-style-type: none"> Havering Council has accepted a duty to accommodate within the meaning of the Housing Act 1996, Part VII.
Homeless Households	<ul style="list-style-type: none"> people who are homeless or threatened with homelessness (within the meaning of Part 7, as amended by the Homelessness Reduction Act 2017);
Overcrowding (Reasonable Preference category s166A(3)(c))	<ul style="list-style-type: none"> The applicant is living in a property that has one or more bedrooms less than required under the Havering Council housing bedroom standard.
Applicants living in unsatisfactory	<ul style="list-style-type: none"> The applicant is living in a property without access to one or more of the following facilities:-

housing lacking basic facilities (Reasonable Preference category s166A(3)(c))	<ul style="list-style-type: none"> - a bathroom or kitchen; - an inside WC, or - hot or cold water supplies, electricity, gas or adequate heating <ul style="list-style-type: none"> • The applicant lives in private property which is in disrepair and is unfit for occupation. <p>Please note that:</p> <ul style="list-style-type: none"> • Applicants who only have access to shared facilities do not qualify under these criteria. • The above applies to private tenants living in a property that has a Category 1 risk as defined by the HHSRS.
Moderate medical grounds (Reasonable Preference category s166A(3)(d))	<ul style="list-style-type: none"> • The applicant's housing is unsuitable for severe medical reasons or due to their disability, but they are not housebound or their life is not at risk due to their current housing. However, the housing conditions directly contribute to causing serious ill-health.
Need to move for care or support (Reasonable Preference category s166A(3) (c) and (d))	<ul style="list-style-type: none"> • The applicant needs to move to receive care that is substantial and ongoing; • The applicant needs to move in order to access Social Services facilities, and is unable to travel across the Borough; • The applicant wishes to move to a certain locality, where not doing so would cause hardship (which includes those approved under Right to Move Scheme).
Housing for older people (Reasonable Preference category s166A(3)(d))	<ul style="list-style-type: none"> • Older, or disabled residents, seeking sheltered or extra care housing who are unable to meet their housing needs from their own resources (i.e. asset rich but cash poor), but agree to lease their property to the Council to use as temporary accommodation.

2.7 Applying to join the Housing Register

Before applying to join the Housing Register, applicants are asked to check that they are suitably eligible, qualified and in housing need.

Applications to join the Housing Register are made by completing an online self-assessment form on the Council's website.

Havering Council's Housing Register team (telephone 01708 434343) will help any applicants requiring assistance with completing the online self-assessment. Those wishing to apply but are unable to access the internet at home can get free access at all Council libraries.

2.8 The Effective Date

The 'effective date' is the date that the applicant joined the Housing Register once they are approved.

If the application to join the Housing Register is re-assessed and the applicant achieves the Community Contribution priority, they will be given a new effective date, which is the

date they applied to be re-assessed. The new date will continue to apply if the applicant successfully re-applies for a higher Community Contribution priority.

If an applicant successfully applies for Band 2a from Band 2c, then their effective date will change to the date of this new banding. This also applies to applicants who successfully apply from other lower priority to higher priority bands.

If the application is re-assessed and the applicant qualifies for Band 3 only, the effective date will revert back to the original date when their Housing Register application was approved.

3. Finding a home

3.1 Tenancy types

Most applicants will be offered a fixed-term, tenancy. These allow the landlords to review the tenant's needs and situation with regularly.

The Council will normally only offer joint tenancies to applicants (including existing tenants) who have satisfied the Council of their intention to live together on a long-term basis. A joint tenancy will not be offered where an ineligible person is one of the joint tenants.

Applications for a joint tenancy will not be considered in cases where:

- there is a current Notice of Seeking Possession or Notice to Quit against a proposed joint tenant;
- the Council is contemplating serving or reserving a Notice of Seeking Possession or Notice to Quit upon the proposed joint tenant;
- there are management problems such as nuisance or anti-social behaviour on the part of the tenant or someone living with or visiting them;
- the proposed joint tenant is not maintaining an acceptable agreement in respect of rent arrears;
- One tenant was made homeless intentionally.

3.2 Housing options

Social housing is a scarce resource and while applicants may wish to consider other housing options, available both in and out of borough, to inform their choice. To enable this to happen the Council operates a Housing Opportunity Register, on which a member of the public can record their preference for housing options other than social housing. Applicants who are found not to qualify for the Housing Register will be referred to the Housing Opportunities Register. Examples for the options available are considered below.

3.2.1 Mutual Exchange

The waiting time for a social tenancy in Havering can be lengthy, so many existing tenants seeking a new property decide to opt for a mutual exchange.

A mutual exchange is when two or more tenants swap their homes; a process that requires the prior permission of the social landlord (i.e. usually councils or housing associations). Havering Council tenants can register for a mutual exchange.

The Council will only say no to a request for a mutual exchange for a limited number of reasons, as defined by law⁹. For example, a tenant may not be able to swap tenancies

⁹ the Housing Act 1985 and the Housing Act 2004

straight away if, for example, they owe rent or there are repairs needed to the property that the tenant has to carry out. However, once these matters have been sorted out, the tenant should be able to move.

A full list of reasons for not giving consent for a mutual exchange is available from the Housing Choice and Applications team. If the Council refuses a mutual exchange request, the applicant will be informed, in writing, of the reasons.

The applicant has the right to appeal the decision directly with the Council. If the applicant is disagrees with the appeal outcome, they have a further right to refer the decision to the County Court.

3.2.2 London Living Rent

London Living Rent homes are for middle-income households who now rent and want to build up savings to buy a home. This can be either through shared ownership or outright purchase. Landlords are expected to encourage their tenants into home ownership within 10 years.

The homes will be offered on tenancies of a minimum of three years. Tenants will be supported to save and given the option to buy their home on a shared ownership basis during their tenancy. They will also be given extra priority for other shared ownership homes across London. To be eligible for a London Living Rent home, you must:

- be renting in London
- have a maximum household income of £60,000
- be unable to currently buy a home (including through shared ownership) in your local area.

3.2.3 Intermediate Renting

Intermediate Rent homes are provided by housing associations offering the opportunity to rent a home at a rent that is 20% less than the market rate. The rent charged is up to 20% less than you would expect to pay for a home in a similar area if it were renting from a private landlord.

There are a range of different types of intermediate rental homes including studios, one, two and three bedroom flats and shared apartments.

3.2.4 Shared Ownership: Low-cost home ownership

Shared Ownership is where a person can buy a share of a property, paying a mortgage on that share and rent on the remaining share (a part-own/ part-rent arrangement).

If someone is on a low income, shared ownership can give them a chance to own their own home in stages. The minimum share purchase is 25% and the maximum 75%.

When their income increases, they can buy further shares in the property until they own 100% of it. For more information about Shared Ownership schemes that are currently available, please contact the Council's Home Ownership team.

Applicants who do not qualify for social housing due to coming above the required income threshold will be new Housing Opportunity Register.

3.2.5 Housing Moves & HomefinderUK

The Housing Moves scheme enables tenants of London boroughs or housing associations to move to a home in another borough, for work reasons, training or education, to free up larger homes or to care for a family member or friend.

The Council's Housing Register qualification rules do not allow someone to go on the housing waiting list if they have not lived in Havering for at least ten years. However, an exception is made for applicants who apply through Housing Moves.

The HomefinderUK National Mobility Scheme enables households on the Havering Housing Register to access social housing in other parts of the UK.

3.2.6 Tenant Incentive Scheme

The tenant incentive scheme allows a secure tenant to apply for a grant to purchase a home on the open market. The Council have in its gift to offer a grant which will amount to the value of the deposit to obtain a mortgage up to a maximum value.

3.2.7 Downsizing Incentive scheme

The Council has a 'Downsizing Incentive Scheme' to enable council tenants to move to smaller accommodation that meets their needs, and offers a cash incentive based on the level of room reduction and the associated costs to move in the event of financial hardship. It is designed to help meet the increasing demand from people living in overcrowded conditions who are on the housing register. The scheme however, is subject to change from time to time.

3.3 Bedroom size entitlements

Havering Council is committed to making the best and most effective use of its limited social housing stock by making sure those properties are not being under-occupied. Consequently, the size and type of property an applicant is allocated will depend on the size of their household.

The housing size standards operated by the Council are:

- A single parent will be treated as a couple.
- people aged 16 years or older not living as a couple should not have to share a bedroom
- people of opposite sex where one or both is over the age of 10 should not have to share a bedroom unless they are both over 16 and living as a couple
- no more than two people should have to share a bedroom
- a confirmed pregnancy over 24 weeks supported by details of the expected date of delivery counts as a child.

In exceptional cases, an extra bedroom may be agreed on medical or welfare grounds where the nature of a condition suffered by a household member makes it essential to have a separate bedroom.

Applicants may bid for properties that are a bed size smaller than their housing requirements. This decision is at the discretion of the Choice and Allocations Manager.

Where there is shared care of children

For the purpose of this policy, a child can be a son or daughter of any age.

Where an applicant has shared care of one or more children, and that care is for less than 50% of the week, the child/children will not be included in the assessment for bedroom entitlement.

Where an applicant has shared care of one or more children, and that care is for at least 50% of the week, the Council will further assess whether or not the child/children will be included in the assessment for bedroom entitlement.

The starting point will be to determine whether or not the child is already adequately accommodated¹⁰. If it is established that the child/children are not already adequately housed, the child/children can be counted as part of the bedroom entitlement.

In all cases, applicants will need to provide evidence of the shared care of any child/children which will include:

- A copy of the child's birth certificate, and
- Evidence of parental responsibility for the child/children and;
Proof of a Court Order or written agreement by the sharing parent to evidence shared care and any benefits received for the children e.g. Child Benefit or Child Tax Credits. It is expected that parents with shared care will also share any State Benefit provided for the child.

3.4 Specialist Accommodation

3.4.1 Adapted properties

The Council has a small number of properties that have been specifically adapted for disabled people. These properties are in short supply, so it is essential they are allocated to people who really need them.

Adapted properties, and those suitable for adaptation, for applicants with a substantial disability may be advertised or offered directly to the most eligible applicant. If there are several applicants for whom the property would be suitable, allocation will be decided in band, and then date, order.

Council tenants who are currently living in adapted accommodation but no longer need it are encouraged to move to suitable non-adapted accommodation. These applications will be placed in Band 2a.

3.4.2 Housing for older people

The Council offers two types of supported housing schemes¹¹ for older people – Sheltered Accommodation and Extra Care Accommodation – the main difference being in the facilities and level of support provided.

- **Sheltered Accommodation**

Sheltered Accommodation is offered to people who require a medium or high level of support due to frailty, ill-health or restricted mobility. Communal facilities include a lounge

¹⁰ "Adequately accommodating" means that the child either has his/her own bedroom or is sharing appropriately in line with the Bedroom Standard.

¹¹ Supported housing is a housing scheme offering housing, support and sometimes care services in a single, complete package.

and laundry facilities, and a dedicated scheme manager provides residents with advice and support.

In order to be eligible for supported accommodation, applicants must meet all of the following criteria:

- 55 years old or over
- Single or joint applicants with no dependants
- In need of the housing support provided by the scheme

In addition, applications may be considered from owner-occupiers aged over 60 and who have been assessed as being unable to meet their housing needs from their own resources.

The Council can assist these people by offering supported accommodation on the basis that the owner agrees to lease their property to the Council to be used as temporary accommodation. In this case, applicants will be visited and assessed to ensure that they can live independently (with a care package, if required).

If the applicant's accommodation and support needs are considered too high for sheltered accommodation, the application will be referred for consideration for Extra Care housing.

- **Transferring within a Sheltered Housing scheme**

Where an applicant lives in Council owned sheltered accommodation, on the first or higher floor without a lift, priority can be awarded to facilitate a move to the ground floor due to medical needs.

The decision to award the priority is made by the Housing Choice and Applications manager. Applicants should identify why they need to move to a lower level – this will typically be as a result of deteriorating health and mobility issues. Where an urgent move is necessary, a medical assessment will be carried out in line with the criteria for Medical Priority.

- **Extra Care housing**

Extra Care housing is for people who require a substantial amount of personal care and housing support, and who might otherwise have to move into residential care.

Applications for Extra Care housing can be made direct to the Council's Social Care or Housing teams.

Please note that Extra Care housing is allocated outside of the Council's Choice Based lettings process and that a separate eligibility criteria and process applies.

3.4.3 Shared Council Housing – For leaving carers

Young people leaving care are an identified group at risk of failing to sustain their tenancy.

The policy will enable this group to share two-bedroom accommodation as part of their tenancy and skills development programme.

In the event there is a failure of tenancy this group will be referred back to supported accommodation for further development of their independent living skills.

3.5 Special circumstances

3.5.1 Decants

Decants occur when the Council has decided that a transfer to alternative accommodation offers the best way of ensuring that development, modernisation, conversion or essential repair works go ahead without causing huge disruption or hardship to the tenants. Decants can be on a temporary or permanent basis.

The Council will consider the likely impact of the planned repairs and improvements, and whether they will be so disruptive that it would be unreasonable to expect the tenant to remain in the property while the works are carried out.

Additionally, the Council will consider whether or not, for technical or safety reasons, it is feasible for the tenant to remain in their home while the works are carried out around them.

For the tenant to be awarded decant priority, equivalent in priority need to the band 1, the Council must be satisfied that the work will be so disruptive that it cannot be completed with the tenants remaining in occupation and either:

- The work is likely to take more than three months to complete; or
- The health of the tenant or a member of their household will be severely affected if they have to leave their home and then move back again at a later date

Permanent decants

This will take place if the work is likely to take more than three months to complete and/or it would not be reasonable for the tenant to have to leave their home and then move back again at a later date.

The tenant may be awarded priority for a transfer to suitable alternative accommodation. If a tenant does not want to be permanently decanted to alternative accommodation, they will have the right to return to their existing home.

Tenants that need to be decanted from their homes on a permanent basis as a result of redevelopment or regeneration will be moved in a planned way.

Each redevelopment/ regeneration scheme will be subject to consultation, equalities impact assessment and approval by Cabinet. When decant status has been authorised, tenants will be placed Band 1 on a phased basis so they may bid for an alternative home.

If they fail to successfully bid for a property a direct offer of accommodation will only be considered in exceptional circumstances and if none exist the Council may decide to take possession proceedings. Existing secure tenants whose homes are due to be demolished will have priority for the new replacement homes being provided on their estate in accordance with the provisions agreed for each estate, before they are made available to any other applicants.

Further details about this are available in the Council's Regeneration - Local Lettings plan. Please note: This does not apply to applicants living in temporary accommodation.

3.5.2 Property under-occupation

While council tenants have the right to continue to live in a property even if it is too large for them, the Council encourages them to move to a more-suitably sized property, to make larger homes available to younger families who need somewhere to bring up their children.

Older under-occupiers are also encouraged to move to a property more suited to their needs and more cost effective to run. Applications from Council or housing association

tenants who are under-occupying by one or more bedrooms and are willing to move to a property with fewer bedrooms will be accepted and will be placed in Band 2a.

3.5.3 Tenants in service

Employees of Havering Council who have a service tenancy associated with their employment may be re-housed in the following circumstances where the council has a contractual obligation to do so:

- Upon retirement
- Upon redundancy or where the council is changing the terms of their employment
- If the property is due to be sold and/or demolished, or have extensive works completed, necessitating a decant.

3.5.4 Succession rights

Where a person lives in a Havering Council property and has the right of succession following the death of the tenant, but the property is:

- So large that they would be under-occupying
- Has adaptations that they do not require; and/or
- There is an age restriction that renders them ineligible to hold the tenancy of the property.

If an 'under-age' spouse living in sheltered accommodation succeeds the tenancy on the death of the tenant, they must agree to move to non-sheltered accommodation. In exceptional circumstances, and at least where one other statutory agency agrees, the Director of Housing Services may decide that there are good reasons to grant a tenancy of the property currently occupied.

3.5.5 Exceptional circumstances

If an applicant has an exceptional need that is not covered by this policy, the Director of Housing has the authority to make a decision based on the merits of the case.

3.6 Local Lettings Plans and Sensitive Lettings

Sometimes, a Local Lettings plan (LLP) will be developed by the Council or the housing provider (e.g. the housing association) which, upon mutual agreement, will be put in place for a specific area or estate on new developments.

The aim is to work towards creating more balanced local communities, by taking into account local considerations such as household types; child density or the proportion of households in employment. In all cases, the approach will reflect any particular communal issues or problems that may present within the area/estate.

In order to implement the policy, it may be necessary to offer the social housing to applicants who are in a housing need band that is lower than we would usually offer to.

The Council may also make targeted offers to suitable applicants in particular circumstances. The offer will be made to those with the earliest priority date in the highest band that meets the criteria within the local lettings policy.

The enforcement of a Local Lettings plan will adhere to the following principles:

- They will be developed to meet the specific needs of a local area;
- There will be a clear evidence based need for the plan;

- There will be developed and approved with an agreed procedure that must have specific aims that may be reviewed periodically;
- Equality Impact Assessment must be done;
- Local Lettings plans must be consulted on

The decision to implement a Local Lettings plan is approved by the Director of Housing, in consultation with the Lead Cabinet Member for Housing.

For homes in the borough owned by a registered social landlord where the Council has nomination rights, approval is made between the Director of Housing and a senior manager from the registered social landlord.

3.6.1 Sensitive lettings

Sensitive lettings allocate tenancies to contribute to sustaining communities where concentrations of anti-social behaviour are disproportionately high.

Sensitive lettings requests will only be accepted where it can be demonstrated that:

- The neighbouring tenants have experienced either harassment, noise nuisance or un-tenant like behaviour over a period of time or of an excessive nature, and
- Incidents have been recorded, and
- Action has been taken by the landlord or there is a public protection issue that must be managed.

3.7 – Choice-based lettings

Havering Council aims to maximise the choice of accommodation offered to those wishing to rent a social or affordable home in Havering by operating a Choice-based lettings (CBL) system.

A CBL scheme gives people the chance to choose which Council house or housing association accommodation they want and makes the complex decision of which property to choose one for the applicant. It works on a bidding principle, as and when properties become available.

The Council's CBL scheme is called Choice Homes, and anyone placed on the Housing Register can bid for a home they want to live in. The bidding system does not involve any payment for a property – it is merely an indication of the applicant's preference in a particular property.

When a property becomes vacant, the Council will first check whether the property is particularly suited to an applicant with special requirements; for example, a household that urgently requires an adapted property for disabled people; where there is a recommendation from the police, social services or other professional agency for a specific type of accommodation to meet an individual need, or where a vulnerable applicant is unable to participate in the bidding system. If so, the property will be offered directly to the applicant without advertising it.

3.7.1 - Advertising available homes

Available properties that have not been directly offered are advertised on the [Choice Homes](#) website, although the means of advertising properties may change from time-to-time.

The available property will be described (sometimes called 'labelled') in a way that provides as much relevant information as possible, including:

- the size and type of property
- the floor level of the property
- the type of heating
- the rent and/or service charge
- any special facilities or adaptations
- whether pets are allowed, or not

Applicants are strongly advised to study the description carefully, as some properties may be restricted to particular groups. When an applicant sees a property that they are interested in, they are strongly recommend to visit the road, neighbourhood and consider local schools, shops, parks and other amenities before placing their bid.

3.7.2 The bidding process

Applicants must meet the labelling criteria and place their bid by the publicised deadline. Applicants will generally be able to make expressions of interest each weekly advertising cycle, and bid for up to two properties per cycle.

Applicants who require assistance with using the scheme will be able place a bid for a property by telephone or by the smartphone app. Additionally, they can bid by means of the Choice Home website, or by mobile phone text messaging.

Bids are prioritised by band; from Band 1 to Band 3, with applicants having the longest waiting time coming first in the band. The applicant can withdraw their bid at any time during the bidding cycle.

3.7.3 Auto-Bids

For those unable to bid due to support needs, the Council offers an auto-bidding system that will automatically place bids for all appropriately-sized properties requested by the applicant.

The applicant specifies the area and type of property they are interested in and housing officers can set up the bidding system to automatically place bids on up to two properties matching their description every week. The system will also tell the applicant how many other people with a higher priority have bid for the same property.

3.7.3 Monitoring bidding activity

The Council monitors online bidding activity.

If an applicant does not bid for suitable properties that have been advertised for six months from the date they are accepted on the Housing Register, they will be contacted to find out the reason/s why.

They will also be advised that their place on the Housing Register could be suspended for a period of six months. The applicant will be notified when this decision is made.

In making the decision, the Council will take into account if there have been no suitable properties advertised or whether there are special circumstances for the applicant not bidding.

1. How housing applications are processed

4.1 – How bids are shortlisted

When the advert deadline has passed, a shortlist of eligible applicants will be produced firstly by Banding order and then by Effective Date order - with the oldest effective date given top priority.

4.2 – Viewing a property

Following production of the shortlist, arrangements will be made by the relevant landlord (i.e. Havering Council or a Housing Association/Registered Provider) for the shortlisted applicants to view the property as soon as possible.

The invitation to view a property is made via a telephone call and/or an SMS text message. This is immediately followed up by an email or letter confirming the viewing.

4.3 - How housing offers are decided

The Council operates a Priority Viewing system, which means that a shortlisted, priority applicant will be invited to view the property.

At the time of being contacted by phone and/or SMS text message, the Council will ask the applicant to confirm within 24 hours that they will attend the viewing. Failure to confirm attendance will be taken as withdrawing the bid and the next shortlisted applicant will be invited to view the property.

In instances the property has proven difficult to let, the Council may carry out multiple viewings, whereby a set number of bidders will be invited to view the property at the same time. The top priority applicant will be asked to view the property and if they do not accept then the next applicant will be offered the property, and so on.

Viewings are conducted in adherence to Council's Health and Safety guidelines and usually requires only the named applicant to attend the viewing. During the viewing, an applicant will be given further information about the property, the repairs to be carried out, the date when the property is expected to be available and any special conditions of tenancy.

Applicants must advise the landlord before leaving the viewing whether they would accept the property. If the applicant does not give their decision within 24 hours of the viewing, or does not attend, it will be taken that they are no longer interested in the property, in which case the next shortlisted applicant will be invited to view the property.

Once the applicant has indicated that they will be willing to accept the property a formal, written offer will be made.

Failure to bid or serial viewings

Applicants that on the housing register who have a reasonable chance of being successful in bidding for a properties, who do not bid for a period of 6 months will be contacted and advised on the process of bidding and offered any support required. If they then fail to bid for another six months then they may be suspended from the register.

Applicants who are successful in coming top of a shortlist and viewing properties for successive properties, and either do not accept the property or fail to attend the viewing, will be contacted and offered advice and support in looking for suitable properties.

The Council reserves the right to remove them from future shortlists if it is believed they may not accept the property or attend the viewing.

4.4 Tenants moving to a new property

Transferring tenants will be expected to give notice on their current tenancy. Council tenants will be required to pass a transfer inspection of their existing property before any new tenancy agreement is signed. Failure to pass the inspection will result in the offer being withdrawn.

Registered Provider tenants may also need to undergo an inspection and should advise their housing officer as soon as the offer has been made.

4.5 Feedback on let properties

The Council considers feedback on let properties as important, because it helps applicants to assess their housing prospects and make informed choices about their future housing. The Council will publish feedback on each property that has been let through its Choice Homes choice-based lettings scheme on a monthly basis, giving:

- The size, type and location of the property
- The number of applicants who bid for the property
- The band and effective date of the successful bidder.

Additionally, the feedback will include information on any 'direct lets' - let properties that were not advertised through Choice Homes.

4.6 Withdrawing an offer of accommodation

The Council will withdraw its offer of accommodation if it is discovered that the applicant:

- Or others on their housing application are, or have been, guilty of unacceptable behaviour, and it is of a type and severity that would have entitled the Council to have obtained a possession order had we been the landlord.
- Has breached a tenancy with the Council or another landlord owing through fraudulent behaviour or causing serious damage to property.
- Has previously gained a tenancy, or attempted to do so, by means of:
 - a. knowingly or recklessly has given false information in respect of any matter relating to their application
 - b. has withheld information or failed to notify the Council of any changes in their circumstances may affect their eligibility, qualification and/or priority for housing. This could lead to their possible removal from the Housing Register.

Offer withdrawal may also take place if

- The property details available at the time that the written offer was made were found to be incorrect and it was subsequently discovered that the size and type of the property did not, in fact, match the applicant's needs, and/or
- The relevant housing officer decides that, taking all factors into account, the property should not have been offered to the applicant.

4.7 Refusing an offer of accommodation

If an applicant refuses a formal offer, they will be asked to complete a form setting out their reason/s.

Their reasons will be duly considered and if it is decided the offer was unreasonable, the applicant will be allowed to remain on the Council's Housing Register and continue to bid for properties.

If, on the other hand, it is decided that the offer was reasonable then, depending on the applicant's circumstances, we will write to the applicant to:

- explain the reason/s why their refusal was decided to be unreasonable
- confirm that:
 - c. their application will be cancelled and that they will be disqualified from re-applying for housing for 12 months, **or**
 - d. the Council's duty to provide accommodation in relation to the applicant has been discharged.

Applicants must think carefully about whether to accept or refuse an offer as this could have a significant impact on whether, and/or when we will make an applicant another offer.

The property will not usually be held vacant while the reasons for the refusal are considered. It will normally be offered and let to another applicant unless the offer is to an applicant that the Council is ending its rehousing duty to; for example, a homeless household, management transfer tenant etc.

In such cases, the offer may be held for a short period, (usually no longer than 48 hours), while the reasons for the refusal is considered. The applicant will be advised of the possible consequences and given a chance to reconsider their decision to refuse the offer.

Please note that an applicant can ask for a suitability review of the accommodation offered, regardless of whether they accept the offer or not.

5. Appeal procedure

Applicants have the right to information about certain decisions, which are taken in respect of their application, and the right to review those decisions.

5.1 – Stages of appeal

Stage 1 - Notification of the decision

An applicant will be notified of the decision in writing by the Housing Choice & Applications Officer.

The notification will give clear grounds for the decision and must be based on the relevant facts of the case. It will advise that the applicant has 21 days from the date of refusal to appeal the decision.

Where a notification is sent to an applicant at the given contact address, but the applicant does not receive it, it can be treated as having been received if a copy of the notification is available on the applicant's file.

Where an applicant has difficulty in understanding the implications of a decision, the Council will make arrangements to advise the applicant verbally.

Applicants can request representations on an appeal decision via a named representative. The Council will acknowledge this representation so long as it is authorised with the applicant's written consent.

Stage 2 - 21 Days to Appeal

Applicants who wish to appeal for a review of a decision should, in the first instance, contact the housing officer who has dealt with their case, giving their reasons why they think that the decision is unreasonable.

The applicant will be notified, usually within 48 hours from the date of refusal, whether the decision still stands and provided with supporting information.

If the applicant then wishes to request a review of the decision, it should be made in writing within 21 days, either by email to: housingapplicationappeal@havering.gov.uk or by post to:

The Reviews & Appeals Officer
Housing Demand Service
Havering Council
Mercury House
Mercury Gardens
Romford, RM1 3DT

Where an applicant is unable to request a review in writing, they can ask someone else to do this on their behalf, or ask us to hear their case orally. It will also be possible for their nominated representative to submit an appeal on behalf of the applicant.

Stage 3 – The review

An officer who is senior to the original decision maker will carry out the review of the decision.

The review will be considered based on the processes set out in this policy, legal requirements and all relevant information relating to the application, including any further relevant information was not available at the time of the original decision.

Stage 4 - Notification of the outcome

The applicant will be notified about the outcome of the review within 56 days from the date the appeal was received. The notification will also detail the reasons why the original decision has been changed or upheld.

There is no further mechanism to review the decision, however, the applicant can take legal action to challenge the Council's decision through judicial review proceedings.

The applicant may also complain to the Housing Ombudsman if they consider the Council's actions amount to maladministration.

Please note that the onus to explain any change of circumstances will remain with the applicant throughout.

5.2 Appeal procedure for the statutory homeless

If the Council has accepted a full statutory duty to house an applicant under the Housing Act 1996 Part VII as amended by the Homelessness Reduction Act 2017, and they have refused a suitable property offered to them (including an offer of private rented accommodation), the Council will end its statutory duty.

The applicant can request a review of the decision to end the statutory duty and/or the Council's decision that the property is suitable. The request should be made, in writing, to the Council within 21 days from the date the offer of accommodation was made to the applicant and should set out the reason/s why they think the property is unsuitable.

The review appeal will be considered by a senior officer who was not involved with the original decision, and will aim to reply, in writing, to the applicant within 56 days (eight weeks) from the date the request was received.

If an applicant is dissatisfied with the Council's decision on review, or no decision has been made within the 56 days (unless there has been an agreed extension), the applicant may appeal to the County Court. Appeals to the County Court, including the procedure and time limits are technical matters, and the applicant may wish to seek independent legal advice (e.g. from the Citizens Advice Bureau or from a solicitor) before doing so.

5.3 Comments and complaints

Havering Council is committed to responding quickly, thoroughly and effectively to any comments or complaints it receives, and to use this information to help further improve the service it provides to local residents.

We welcome complimentary feedback when we get it right, and any service improvement suggestions you may wish to offer. Like most large organisations, occasionally we don't get things quite right and you may decide to raise a complaint about the service you have received.

In the first instance, please would you raise the matter with the officer that you have been dealing with, and, if the matter is not satisfactorily resolved, escalate the matter to their supervisor. Often, this is the quickest and easiest way of dealing with such matters.

However, if you feel uncomfortable doing this, or remain dissatisfied with the way the matter has been handled, we have a formal complaint procedure that can be used, which is detailed on our website at www.havering.gov.uk/complaints.

We constantly endeavour to deliver the best possible standards of service to our residents and treat complaints very seriously. We will aim to reply to any complaint with 10 working days from the date of receipt.

6. Implementation of this policy

This policy will take immediate effect from XX XXX 2021.

6.1 Monitoring and review of this policy

In the interests of continuous improvement, this policy will be reviewed annually to ensure it remains relevant, up-to-date and fit-for-purpose for Council and the residents of Havering.

For further information about the details of this policy or assistance, please contact the Housing Choice and Applications manager at Havering Council by email at housingneeds@havering.gov.uk.

6.2 Delegated authority to make minor changes to this policy

To ensure that this policy operates fairly and legally, the Director of Housing in consultation with the Lead Cabinet Member of Housing will be able to approve minor

amendments to the policy. These are amendments that do not significantly change this policy or associated procedures.

Housing Allocation policy

APPENDIX 1 – Community Contribution reward: Qualification Criteria

Community Contribution Reward - scheme 1

	Definition	Supporting evidence required
Working households	<p>The sole or one of the joint applicants:</p> <ul style="list-style-type: none"> • Works at least 16 hours per week for 6 out of the last 12 months • For those aged 70+ years, works at least 5 hours per week for 6 out of the last 12 months. • Has a permanent contract, temporary contract, or • Is self-employed and can demonstrate that they have been for at least 12 months. <p>Breaks in employment Where an applicant loses employment they will no longer qualify for the Reward. However, we recognise that in the current economic climate, people can lose their job from time-to-time. If further employment is gained within the next 6 months, the application can be reinstated with no loss of accrued waiting time</p> <p>Pregnancy and maternity/paternity leave</p> <ul style="list-style-type: none"> • Applicants who are on maternity leave or paternity leave but remain in employment can also qualify for this award. 	<p>Original contract of employment, payslips, P60, bank statements or a verifying letter on headed paper, or can prove that you are registered at Company House in order to qualify.</p> <p>If the applicant is self-employed, we will need to see a minimum of 12 months continuous documented tax returns containing reference to the self-employed activity.</p> <p>In the case of pregnancy and maternity, we will need written evidence of statutory maternity pay.</p>
Ex-services personnel	<p>The sole or one of the joint applicants:</p> <ul style="list-style-type: none"> • who have served in the British Armed Forces at any time in the five years prior to making an application, or • are close to leaving at present, and • was not dishonourably discharged. <p>This includes people who have served in the Royal Navy, Royal Air Force and British Army.</p>	<p>Original Certificate of Cessation of Entitlement to Occupy Service Living Accommodation will need to be provided.</p> <p>Service with the armed forces will be confirmed with the Royal British Legion.</p>
Fostering or adopting	<p>Applicants living in Havering who would like to foster or adopt a child (and/or more</p>	<p>A letter from Havering Council's Children and Young Adult Service</p>

	<p>children), but are unable to as they currently live in an inappropriate property.</p> <p>The property must be considered inappropriate either due to the property size or the tenure type.</p> <p>The applicant must have the support of Havering Council's Children and Young Adult Service and they must confirm that your current home is barring you from adopting or fostering a child (and or more children).</p>	<p>stating that the applicant(s) will be accepted as a foster carer(s) or adoptive parent(s) and will only be able to adopt or foster a child (and or children) if they move to another property.</p>
Disabled households	<p>A disabled applicant under retiring age who has been assessed as eligible for the support element of Employment and Support Allowance due to a permanent disability which prevents them from participating in work related activities.</p>	<p>A letter from Department of Work and Pensions confirming receipt of Employment and Support Allowance.</p>
Volunteering	<p>The sole applicant or one of the joint applicants volunteers for:</p> <ul style="list-style-type: none"> • a minimum of 16 hours a week • those aged 70+ years, for a minimum of 5 hours a week • Not for profit organisations or groups, including a charity, or community or faith group recognised by Havering Council's Active Living programme, or <ul style="list-style-type: none"> - registered as a charity with a premises in Havering, or - registered with Havering Volunteer Centre (Havco) • a continuous period of at least 6 months up to the point of application and continuously until the point of offer. • Within the London Borough of Havering. 	<p>An original letter on the organisations headed paper from the manager responsible for volunteers confirming the applicant's involvement in the minimum hours per month of voluntary work for the past 12 months.</p> <p>This person must not be related to the applicant in any way.</p>
Carers	<p>An applicant who is:</p> <ul style="list-style-type: none"> • Providing full time care (minimum of 35 hours per week) to an elderly person or disabled child and • Is in receipt of full carers' allowance • Where carers' allowance is not payable because of the carer's age or other benefit restriction, evidence will be required to prove the applicant's status 	<p>Confirmation of receipt of carers' allowance or other evidence from a statutory agency or relevant medical practitioners.</p>
Downsizing	<ul style="list-style-type: none"> • The applicant is a Havering social housing tenant holding a secure, assured or fixed term tenancy who wishes to move to a property with 	<p>A reference from the landlord (either the Council or a housing association) confirming that the applicant is living in a</p>

	<p>fewer bedrooms and is not impacted by housing benefit/bedroom tax.</p> <p>NOTE: this does not apply to Private Sector Leased (PSL) tenants, or</p> <ul style="list-style-type: none"> • The applicant is a housing association tenant not living in Havering who wishes to move to a property with fewer bedrooms and Havering Council can nominate someone to their current property if they move. <p>If the applicant want to downsize you must move to a property with fewer bedrooms.</p>	<p>property that is too large for their needs.</p> <p>If you are a housing association tenant not living in Havering, we must have the association's agreement that we can nominate to your property if you move.</p>
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Housing Allocation policy

APPENDIX 2 – Adapted Housing – mobility categories




Vacancies which are adapted or which are suitable for adaptation for applicants with a substantial disability may be advertised or offered directly to the most appropriate applicant. The Council reserves the right to allocate to a high priority applicant in need of such accommodation.

The categories used are in line with the categories described by the London Accessible Housing Register (LAHR). The LAHR has been developed to help make better use of accessible homes and to enhance the choice of homes for people with mobility needs.

Mobility Categories - Assessment of Mobility Need

A household's mobility needs will be assessed based on three categories (A, B & C) of mobility. These are in line with the categories described by the London Accessible Housing Register (LAHR). Qualifying applicants will be advised of their mobility category in writing.

The Council will use the following categories to identify the mobility needs of those using Havering's Choice Homes website and to show the types of adaptations in homes:

Category	Applicant profile	Examples of adaptations
MOBILITY - A 	The household has a member with significant mobility needs and who uses a wheelchair indoors and outdoors at all times.	<ul style="list-style-type: none"> • Level access • No stairs • Property adapted to a wheelchair standard • Level platform at main entrance • No changes in level throughout (inside and outside), or adapted to include lift/ramp access.
MOBILITY - B 	The household has a member with mobility needs who mainly uses a wheelchair outside and cannot manage steps or steep gradients.	<ul style="list-style-type: none"> • With level access throughout (inside and outside), or adapted to include lift/ramp access • Wide Main/Communal door/s • Bathroom containing toilet, basin and accessible bath/shower.
MOBILITY - C 	The household has a member with some mobility needs who is able to manage up to two steps to access the home	<ul style="list-style-type: none"> • On the ground floor with up to 2 steps access • Pathway/driveway/ramp from pavement level or parking space, no steep gradients

		<ul style="list-style-type: none">• Bathroom suitable size to be adapted
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Housing Allocation policy

Equality and Health Impact Assessment (EqHIA)

Document control

Title of activity:	Housing Allocation policy
Lead officer:	Darren Alexander, Assistant Director Housing Demand
Approved by:	Patrick Odling-Smee, Director of Housing
Authors:	Kwabena Obiri, Housing Choice & Applications Manager, Joe Agius, Strategy & Policy Officer
Date completed:	27/11/2020
Scheduled date for review:	October, 2021

Did you seek advice from the Corporate Policy & Diversity team?	
Did you seek advice from the Public Health team?	
Does the EqHIA contain any confidential or exempt information that would prevent you publishing it on the Council's website?	No

1. Equality & Health Impact Assessment checklist

About your activity

1	Title of activity	Housing Allocation policy		
2	Type of activity	Policy Housing lettings		
3	Scope of activity	<p>This policy applies to new applicants, (including homeless households), and to existing tenants transferring from one property to another.</p> <p>The Housing Act 1996, (as amended by the Homelessness Act 2002, the Localism Act 2011 and the Homelessness Reduction Act 2017), requires local authorities to make all housing allocations and nominations in accordance with a Housing Allocation policy.</p> <p>A summary of this Housing Allocation policy must be published and made available free of charge to any person who asks for a copy.</p>		
4a	Are you changing, introducing a new, or removing a service, policy, strategy or function?	Yes	<p>If the answer to <u>any</u> of these questions is 'YES', please continue to question 5.</p>	<p>If the answer to <u>all</u> of the questions (4a, 4b & 4c) is 'NO', please go to question 6.</p>
4b	Does this activity have the potential to impact (either positively or negatively) upon people (9 protected characteristics)?	Yes		
4c	Does the activity have the potential to impact (either positively or negatively) upon any factors which determine people's health and wellbeing?	Yes		

Completed by:	Kwabena Obiri, Choice and Allocations Manager Joe Agius, Strategy & Policy Officer
Date:	27/11/2020

How this policy will impact on people?

Background

Social housing is provided by social landlords – generally, local authorities or housing associations. However, it has been clear for some time that housing supply is not keeping up with demand. Affordable housing however is broader and includes all housing that has received a public subsidy or grant in its development.

Demand for social housing in Havering significantly exceeds the number of properties available. In the financial year 2019-2020, only two in every 10 households on the housing register had a realistic prospect of getting social housing. This policy sets out how the Council will prioritise access to the available housing.

Purpose of this policy

The Housing Act 1996 Part VI requires local authorities to give reasonable preference in the way they allocate their available social housing.

The purpose of this policy is to clearly explain how Havering Council, (“the Council”), decides how available social housing is allocated. It sets out the Council’s eligibility, qualifying and housing need criteria to ensure priority is fairly assigned and allocated to households in the greatest need. It also sets out how the Council will enable access to other forms of affordable housing such as shared ownership and intermediate rented housing.

Aims of this policy

The aims of this policy are to:

- ensure that we make the best possible use of the social housing stock;
- provide housing that is suitable to the specific needs and requirements of households;
- prioritise households that have been assessed to be in most need and to those who make a positive contribution to our community;
- help build sustainable communities and neighbourhoods, and
- ensure social and affordable housing is allocated in a clear, fair and transparent manner.

Scope of this policy

This policy applies to new applicants, (including homeless households), and to existing tenants transferring from one property to another.

The Housing Act 1996, (as amended by the Homelessness Act 2002, the Localism Act 2011 and the Homelessness Reduction Act 2017), requires local authorities to make all allocations and nominations in accordance with an Allocation Scheme. A summary of the Allocations Scheme must be published and made available free of charge to any person who asks for a copy.

This document is available on the Council’s website: www.havering.gov.uk and paper copies will be provided on request.

The Housing Act 1996 (as amended) requires local authorities to give reasonable preference in their allocations policies to people with high levels of assessed housing need. The main groups are:

- People who are homeless as defined by the Housing Act 1996, Part 7;
- People who are owed a duty by any local housing authority under section 190(2), 193(2) or 195(2) (or under section 65(2) or 68(2) of the Housing Act 1985), or who are occupying accommodation secured by any such authority under section 192(3);
- People occupying insanitary or overcrowded housing, or who are otherwise living in unsatisfactory conditions;
- People who need to move on medical or welfare grounds (including any grounds relevant to a disability); and
- People who will suffer hardship to themselves or to others if they are unable to move to a particular locality or district.

In addition to the above, the Council also exercises its statutory discretion to grant additional preference and/or to determine priority between applicants with reasonable preference. Applicants in reasonable preference categories makeup around 61% of the Council's housing register – comparatively reasonable preference made up around 47% of all Council allocations in 19/20, contributing to 214 of 455 lets. Whilst there is slightly larger demand for accommodation than supply for applicants of reasonable preference, the figures show that they are overall treated fairly, contributing to just under half of all Council lets.

The Act also requires local authorities to state within the policy what its 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 4.

In summary – the proposed key changes

The new, Housing Allocations Policy will introduce the following key changes:

1. Qualification Criteria

- **10 years continuous residency:**

In a change to the previous policy in order fulfil the Council's qualification criteria to join the Housing Register, an applicant will be required to demonstrate a continuous residency of ten years in the borough of Havering from the previous 6 years.

- **Residency exemptions**

Within the criterion, a residency exemption will be granted to applicants of refugee status or of traveller background of five years, provided they have resided in the borough for five years continuously, and can demonstrate a community contribution such as paid, unpaid or voluntary work in the borough or being a recognised carer for an elderly or disabled adult or child. Further exemptions will also be included.

- **Income threshold:**

In a change to the previous policy, the gross income threshold for applicants has been raised from £36,000 to £50,000 and a change of the savings limit to £30k.

This is proposed in recognition of the changing financial climate. Applicants who come above this threshold will not qualify to join the register.

2. Banding Changes

- Change to five new bands and new prioritisations within the bands.
- Applicants previously placed under the Reduced Priority banding will no longer qualify for social housing.

Who will be affected by the activity?	
Applicants to the Havering Council Housing Register to seek housing.	
Protected Characteristic - Age	
<div> <div> Please tick (✓) the relevant box: </div> <div> <div>Positive</div> <div>Neutral</div> <div>Negative</div> </div> </div>	
	<p>Overall impact: Neutral</p> <p>This policy states an Age qualification for applicants to be placed on the Council's Housing Register. This is:</p> <p><u>Age - Applicants must be 18 years of age or over</u></p> <p>The Council will not normally grant a tenancy to anyone under the age of 18 years unless another adult is prepared to act as their guarantor and agrees to cover the rent or any arrears.</p> <p>Exception: The age qualification criterion will not apply where a young person, aged under 18 years, is owed a duty under current legislation, but is unable to access suitable accommodation other than by being given an offer of council or housing association accommodation. In exceptional circumstances, the Council can grant permission to occupy a property to an applicant under 18 years by means of an Equitable Agreement.</p> <p>The policy therefore is inclusive of all eligible persons and does not discriminate on the basis of age, except in the case where persons are under 18 years old and in which case exemption is made according to the duty owed to some young people under legislation as stated above.</p>

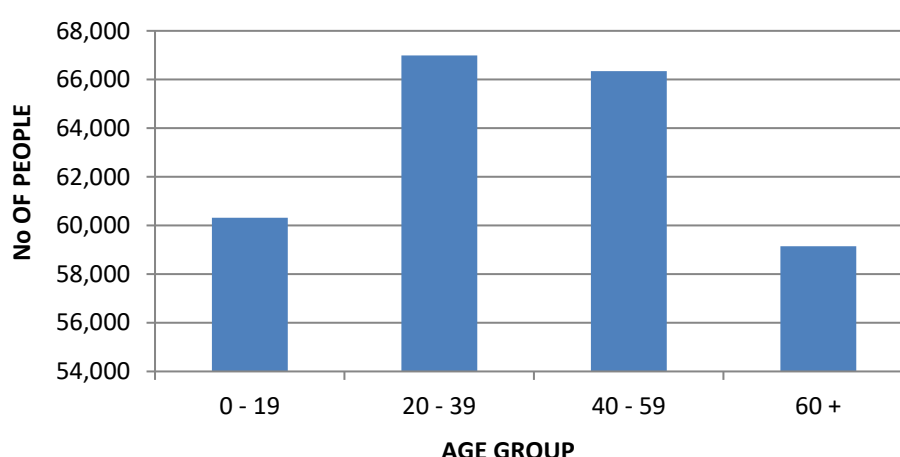
Evidence:

Declining mortality rates mean higher life expectancies.

A newborn male baby in the UK today can expect to live for 79.2 years and a girl to 82.9 years, with 22.6% of newborn boys and 28.3% of newborn girls projected to live to 100 years old¹.

- Havering has the oldest population in London with a median age of 40 years, as recorded in the 2011 census.
- The life expectancy at age 65 years in Havering is 19 years for males and 21.7 years for females. The life expectancy at birth for people living in Havering is 80.2 years for males and 83.9 years for females.
- From 2011 to 2016, Havering experienced the largest net inflow of children across all London boroughs. 4,580 children settled in the borough from another part of the United Kingdom during that five-year period.
- It is projected that the largest increases in population up to 2033 will occur in the following age brackets; children (0-17 years), and older people age groups (65 years and above).

HAVERING - BY AGE GROUP



The Havering population is estimated to be 257,810 (ONS, 2018). The table below gives a breakdown by five year age bands and gender.

Age Band (Years)	Male	Female	Persons
00-04	8,850	8,520	17,370
05-09	8,429	8,081	16,510
10-14	7,595	7,503	15,098
15-19	7,166	6,743	13,909
20-24	7,351	7,198	14,549
25-29	8,642	9,220	17,862
30-34	8,526	9,742	18,268
35-39	8,614	9,268	17,882

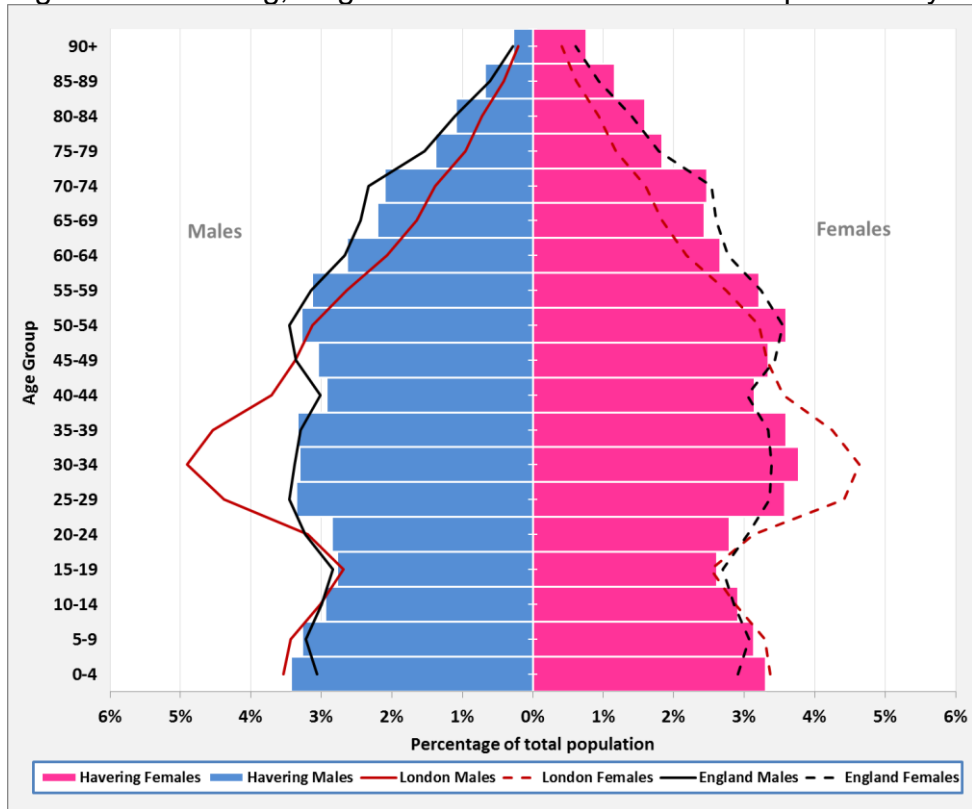
¹ Article: 'Living longer; how our population is changing and why it matters' (Office for National Statistics, August 2018)

40-44	7,542	8,125	15,667
45-49	7,868	8,624	16,492
50-54	8,460	9,279	17,739
55-59	8,072	8,290	16,362
60-64	6,806	6,860	13,666
65-69	5,696	6,272	11,968
70-74	5,417	6,379	11,796
75-79	3,561	4,741	8,302
80-84	2,817	4,121	6,938
85-89	1,747	3,000	4,747
90+	719	1,966	2,685
All Ages	123,878	133,932	257,810

Havering has the oldest population in London with a median age of 39 years. There are approximately 60,102 persons aged 65 and over in Havering. This is more than a fifth of the whole population (23.3%).

Figure 1 below shows a much older age structure for the population of Havering compared to London but similar to England.

Figure 1 : Havering, England and London Mid-2018 Population Pyramid



Data source: ONS 2018 Mid-year population estimates.

The increased age of residents within Havering could see mean that there is an increased pressure for smaller or sheltered type properties.

Sources used:

- This is Havering 2019/20 version 4.4, Public Health Intelligence
- ONS 2018 Mid-year Population Estimates

Protected Characteristic - Disability

Please tick (✓)
the relevant box:

Positive



Neutral

Negative

Overall impact: Neutral

This policy decides on applicants cases based on a number of criteria, including an applicant's health and consequent housing need priority. The policy states:

MEDICAL

The medical element of the assessment is based on whether the applicant's health, or a member of their household's health, would improve by moving to alternative accommodation. Consequently, medical priority is awarded according to the extent to which the health or welfare of one or more members of the applicant's household, is affected by their current housing conditions and the expected benefits of providing suitable alternative housing.

Applicants are asked to complete a Medical Assessment Form. A Housing Assessment Officer will consider the information supplied by the applicant, along with any further and necessary information supplied by other parties such as health professionals and housing officers.

Applicants claiming to have a severe and enduring mental illness will need to demonstrate that they currently have, or have recently had, access to Havering Mental Health Services.

Depending on the circumstances, medical priority can be awarded under the Band 1, 2a or Band 3. The following table is used as a guide to how medical priority is determined:

<i>Medical Condition</i>	<i>THE EFFECT OF CURRENT HOUSING ON THE APPLICANT'S HEALTH</i>		
	<i>Severe</i>	<i>Moderate</i>	<i>Low</i>
<i>Serious</i>	<i>Band 1</i>	<i>Band 2a</i>	<i>No medical priority</i>
<i>Moderate</i>	<i>Band 2a</i>	<i>Band 3</i>	<i>No medical priority</i>

Applicants who clearly have an urgent need to move because they have a critical medical condition, or very serious disability, will be placed in the Band 1.

Therefore, the policy makes due consideration of the disability and/or

		severe health issues of an applicant and provides a bespoke service to consider an individual's health circumstances in deciding their Housing Register application. This should improve the outcomes for disabled applicants.
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Evidence:

- In 2017, 3,506 adults (aged 18-64 years) were estimated to be living with serious physical disabilities in Havering.
- The estimated rate of serious physical disabilities in Havering (2,323 per 100,000 population aged 18-64 years) is similar to England but significantly higher than London average. It is one of the highest rates within London local authorities (see Figure 22). One of the key reasons for this is likely to be due to the relatively older population in Havering compared to other London boroughs.

Please note: Rate per 100,000 calculation uses mid 2016 population.

The following shows the prevalence of various disabilities in Havering:

Table 1: Number of people aged 18-64 with disabilities in Havering by age band, 2020

Age band	Number with learning disability	Number with Impaired mobility	Number with serious visual impairment	Number with moderate or severe, or profound hearing impairment
18-24	519	192	12	347
25-34	911	366	24	791
35-44	882	1,790	23	1,652
45-54	792	1,685	22	4,271
55-64	721	4,438	21	8,143
18-64	3,824	8,471	102	15,204

Table 2: Number of people aged 18-64 with mental health problems in Havering, 2020

Mental health problem	Number
Common mental disorder	29,906
Borderline personality disorder	3,796
Antisocial personality disorder	5,184
Psychotic disorder	1,100
Two or more psychiatric disorders	11,327

Table 3: Number of people aged 65 & over unable to manage at least one mobility activity on their own in Havering, 2020

Age band	Number
65-69	1,023
70-74	1,642
75-79	1,506
80-84	1,740
85 and over	3,410
65 and over	9,321

Table 4: Disabled population with medical needs

Band	Medical Type	Total	% of Register
<i>ER</i>	<i>Special Needs</i>	<i>7</i>	<i>0</i>
	<i>Severe Medical</i>	<i>18</i>	<i>1</i>
<i>CC2</i>	<i>Disability</i>	<i>60</i>	<i>3</i>
<i>H</i>	<i>Moderate Medical</i>	<i>35</i>	<i>2</i>

Sources used:

This is Havering (2018)

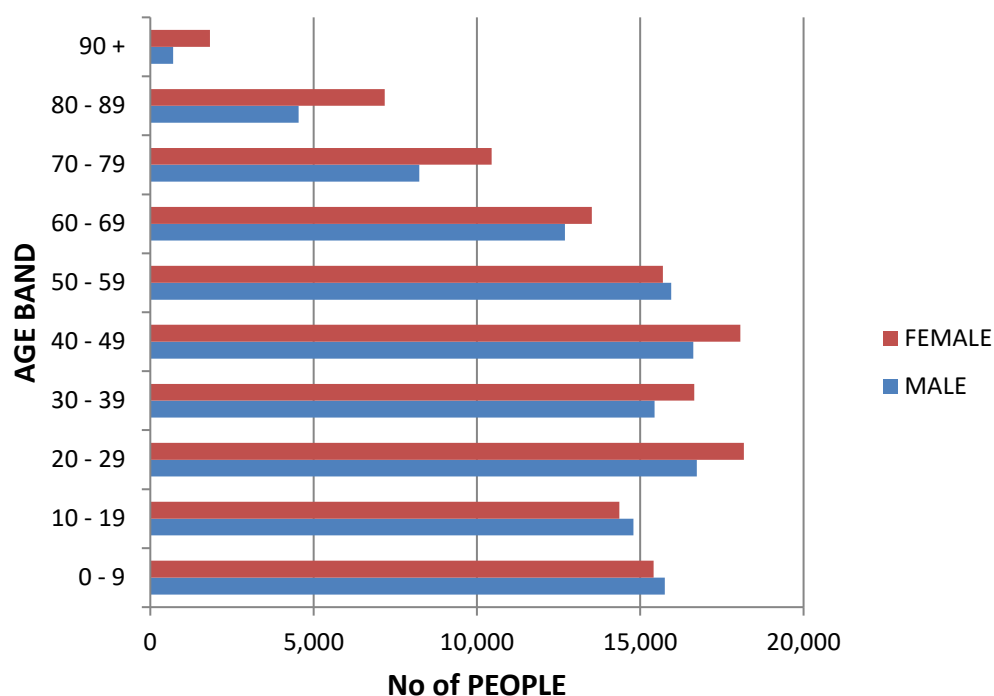
Projecting Older People Population Information: <https://www.poppi.org.uk/index.php>

Projecting Adults Needs and Services Information: <https://www.pansi.org.uk/>

Protected Characteristic - Sex/gender		
Please tick (✓) the relevant box:		Overall impact: Neutral This policy offers a gender neutral approach to making decision on the allocation of housing. It will be carried out with an emphasis on equality of treatment.
Positive		
Neutral	✓	
Negative		

Evidence:

HAVERING POPULATION - BY GENDER AND AGE BAND



Gender	Total	% of Register
Male	402	21
Female	1511	79
Total	1913	100

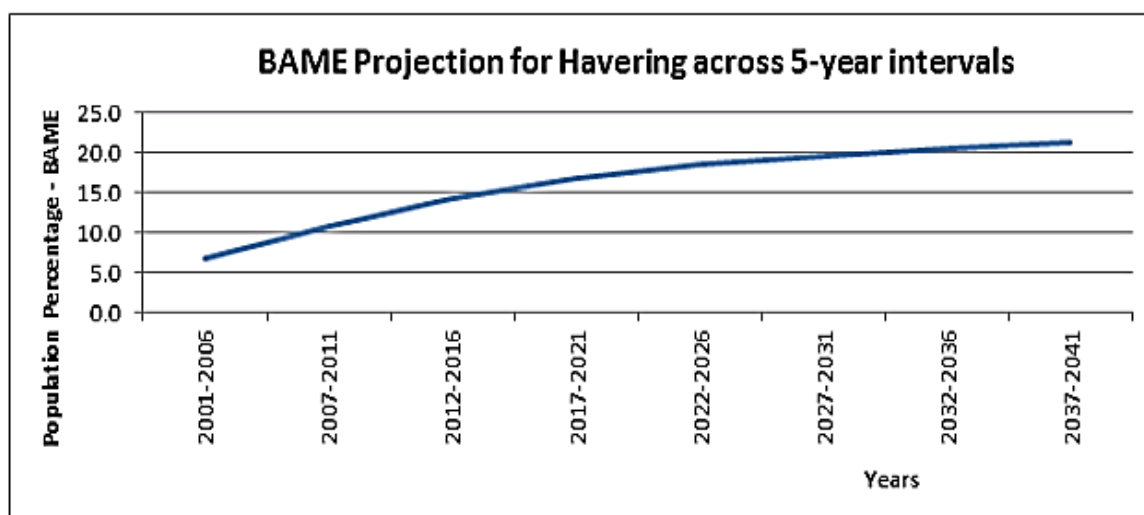
Sources used:

<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates>

Protected Characteristic - Ethnicity/race		
Please tick (✓) the relevant box:		Overall impact: Neutral
Positive	<input type="checkbox"/>	This policy offers an ethnicity neutral approach to making decision on the allocation of housing. The Policy will be carried out with an emphasis on equality of treatment.
Neutral	<input checked="" type="checkbox"/>	
Negative	<input type="checkbox"/>	<p>There is insufficient evidential information at this time as to whether the impact on this protected characteristic will be positive or negative. It is currently envisaged that there will be neutral impact at the least.</p> <p>2.3.2 (j) Exception (Travelers & Refugees) - Overall impact would be neutral/positive for applicants of traveller background or refugee status with no sizable advantage gained from the reduction of residency for applicants requiring family accommodation as there would still be extended waiting periods in their elevated banding. Single or Coupled applicants of refugee or traveller backgrounds stand to benefit from a reduction in residency with greater opportunities of success for 1 bed permanent accommodation.</p>

Evidence:

- Havering is one of the most ethnically homogenous boroughs in London, with 83% of its residents recorded as 'White British' in the 2011 census; higher than both London and England.
- However, the ethnically homogenous characteristic of Havering is gradually changing due to its growing cultural diversity.
- The Borough's white population is projected to decrease from the current 84% to 78% in 2032.
- The BME population, notably those from Black African heritage (though many of whom are likely to be British born) is projected to increase from 4.1% in 2017 to 5.3% of the Havering population in 2032



According to the GLA ethnic projections (2020) There are approximately 40,500 (18%) people from BAME groups living in Havering, the majority being black Africans (11,700, 4.5%).

Table 1: The GLA ethnic population projections 2020

Ethnic Group	Male	Female	Persons
White British	94,850	101,950	196,810
White Irish	1,320	1,620	2,940
Other White	7,280	7,330	14,610
White & Black Caribbean	1,900	1,840	3,740
White & Black African	710	780	1,490
White & Asian	890	860	1,750
Other Mixed	900	920	1,820
Indian	4,050	4,530	8,590
Pakistani	1,290	1,510	2,810
Bangladeshi	1,190	1,140	2,340
Chinese	610	1,010	1,620
Other Asian	1,980	2,120	4,110
Black African	5,270	6,430	11,700
Black Caribbean	2,090	1,940	4,030
Other Black	790	970	1,760
Arab	290	220	510
Other Ethnic Group	660	570	1,220
Total	126,070	135,740	261,850

Table 2: Housing Register by Ethnicity

Racial Classification		Housing Register	
Race	Ethnicity	Total	% of register
White	British	1273	67
	Irish	17	1
	Other	88	5
BAME	Arab	2	0
	Asian Bengali	20	1
	Asian Indian	12	1
	Asian Other	27	1
	Asian Pakistani	13	1
	Black African	186	10
	Black Caribbean	47	2
	Black Other	18	1
	White & Asian	7	0
	White & Black African	28	1
	White & Black Caribbean	31	2
	Other Mixed	16	1
	Other	2	0
No response	Blank/Refused	126	6
		1913	100

2.3.2 (j) Exception (Travelers/Refugees) - a reduction in residency criteria appears to have no significant advantage to applicants of traveler background. From data sourced from P1E records, shows the number of accepted homeless cases under Part 7 between 2016-18 for travelers were as follows:

Table 3: Accepted homeless cases for applicants of traveler/gypsy background 2016-18

Year	Total
2016	0
2017	0
2018	0

For the year 19/20 data sourced from HCLIC showed there were five known traveler cases investigated under part 7 with one case accepted under s.193 main duty. Accepted applications to the housing register did not fare better for applications from travelers with one application made in 2019 and zero acceptances to the register between 2016 and year-end 2020. This appears to suggest there is very little in the way of housing demand from the travelling community.

Table 4: Accepted applicants from traveler/Gypsy community to the housing register

Year	Status	Homeless	Residency Met?	Banding	Year Residency Met	New Band	Bed Need	Rehoused
2019	Traveler	Yes	No	RP	-	-	1	No

Opportunities for non-UK residents/asylum seekers appear to be relatively neutral to positive dependent on bedroom size required. Data obtained shows that between 2016-20 eight households were granted homeless decisions under s.193 of HA96. Of these eight households five went on to apply and become accepted on the housing register.

The below data shows the pathway of accepted Non-UK national applicants to the register, with the remaining three cases provided with alternative housing solutions such as discharge into private sector accommodation.

Table 5: Accepted Non-UK nationals/Refugees to the housing register

Year	Status	Homeless	Residency Met?	Banding	Year Residency Met	New Band	Bed Need	Rehoused
2016	Refugee	Yes	No	RP	2020	CC2	4	No
2018	Refugee	Yes	No	RP	-	-	1	Yes
2018	Refugee	Yes	No	RP	-	-	2	No
2018	Refugee	Yes	No	RP	-	-	4	No
2019	Refugee	Yes	No	RP	-	-	3	No
2019	Refugee	Yes	No	RP	-	-	2	No
2019	Refugee	Yes	No	RP	-	-	3	No
2019	Refugee	Yes	No	RP	-	-	3	No

For context, the only Non-UK national current on the list with a higher priority banding resulting from RP banding (residency criterion) is currently in CC2 band with an effective date of 22nd September 2020. For the purpose of context, an analysis of the number of properties the applicant would have been successful for based on lowered exception criteria by years is documented below:

Table 6: Prospective accommodation offer for eligible Non-UK national/refugee applicant

CC2 Band (having fulfilled residency criterion from RP Banding)		
Effective Date	Bedroom Eligibility	Potential Successful bids based on effective date
22/09/15 (5 year residency)	Four bedroom	13
22/09/18 (4 year residency)	Four bedroom	8
22/09/17 (3 year residency)	Four bedroom	8

22/09/18 (2 year residency)	Four bedroom	4
22/09/19 (1 year residency)*	Four bedroom	3
Total		32

Based on the data, there appears to be a sizeable impact to the applicant starting from RP band, who based on the five-year wait to achieve banding status would have missed on 32 four bedroom properties to applicants in higher banding. This differs from a qualifying applicant as homeless who met initial residency placed under Homeseeker (H) band and subsequently qualified for CC2 under similar circumstances.

If expected waiting times are applied based on banding effective date stretching back five years (22/09/15) the results would show as follows:

Table 7: Waiting based on earlier effective date (2015)

Banding	Bedroom Need	Waiting Time (in Band – with residency served - no RP)	Total waiting time (with accrued RP years)
ER	Four bedroom	1 month	5 years
CC1	Four bedroom	1-6 months	5.5 years
CC2	Four bedroom	1-2 years	6-8 years
H	Four bedroom	3-7 years	8-12 years

From the above table there is a visible distinction in the prospective waiting times based on the above applicants placement in CC2 with an earlier effective date. With the current effective date (22/09/20) applied the waiting times would vary considerably:

Table 8: Waiting times based on current effective date (2020)

Banding	Bedroom Need	Waiting Time (in Band – with residency served – no RP)	Total waiting time (with accrued RP years)
ER	Four bedroom	6 months	5.5 years
CC1	Four bedroom	2-3 years	7-8 years
CC2	Four bedroom	3-5 years	8-10 years
H	Four bedroom	4-7 years	9-12 years

Protected Characteristic - Religion/faith

Please tick (✓) the relevant box:

Overall impact: Neutral

Positive		This policy offers a religion/faith neutral approach to making decision on the allocation of housing. The Policy will be carried out with an emphasis on equality of treatment.
Neutral	✓	
Negative		

Evidence:

Most recent available data (Census 2011) shows the majority of Havering residents are Christians.

Table 7: Religion and Belief 2011 Census, Havering

Faith	Number	%
Christian	155,597	65.6%
Buddhist	760	0.3%
Hindu	2,963	1.2%
Jewish	1,159	0.5%
Muslim	4,829	2.0%
Sikh	1,928	0.8%
Other Religion	648	0.3%
No Religion	53,549	22.6%
No Response	15,799	6.7%
Totals	237,232	100%

Sources used:
Census 2011

Protected Characteristic - Sexual orientation		
<i>Please tick (✓) the relevant box:</i>		Overall impact: Neutral This policy offers a sexual orientation neutral approach to making decision on the allocation of housing. The Policy will be carried out with an emphasis on equality of treatment. It is not necessary for residents to disclose their sexual orientation therefore a neutral impact is expected
Positive		
Neutral	✓	
Negative		

Sources used:

There is insufficient evidential information at this time as to whether the impact on this protected characteristic will be positive or negative. It is currently envisaged that there will be neutral impact at the least.

Protected Characteristic - Gender reassignment		
Please tick (✓) the relevant box:		Overall impact: Neutral This policy offers a gender reassignment neutral approach to making decision on the allocation of housing. The Policy will be carried out with an emphasis on equality of treatment.
Positive		
Neutral	✓	
Negative		
Evidence: The Equality Act 2010 says employees must not be discriminated against in employment for being married or in a civil partnership. In the Equality Act marriage and civil partnership means someone who is legally married or in a civil partnership. Marriage can either be between a man and a woman, or between partners of the same sex. Civil partnership is between partners of the same sex. Marriages and registration of civil partnerships in the UK are currently suspended due to the COVID-19 pandemic.		
Sources used: https://www.equalityhumanrights.com/en/advice-and-guidance/marriage-and-civil-partnership-discrimination		
Protected Characteristic - Marriage/civil partnership		
Please tick (✓) the relevant box:		Overall impact: Neutral This policy offers a marriage/civil partnership neutral approach to making decision on the allocation of housing. The Policy will be carried out with an emphasis on equality of treatment.
Positive		
Neutral	✓	
Negative		
Evidence: There is insufficient evidential information at this time as to whether the impact on this protected characteristic will be positive or negative. It is currently envisaged that there will be neutral impact at the least.		
Protected Characteristic - Pregnancy, maternity and paternity		

<i>Please tick (✓) the relevant box:</i>		Overall impact: Neutral This policy offers a pregnancy, maternity and paternity neutral approach to making decision on the allocation of housing. The Policy will be carried out with an emphasis on equality of treatment.
Positive		
Neutral	✓	
Negative		
Evidence: There is insufficient evidential information at this time as to whether the impact on this protected characteristic will be positive or negative. It is currently envisaged that there will be neutral impact at the least.		

Health & Wellbeing		
<i>Please tick (✓) all the relevant boxes that apply:</i>		Overall impact: Neutral Do you consider that a more in-depth HIA is required as a result of this brief assessment? No ✓ The process of reviewing this policy will assist the Council in ensuring that accommodation occupied by the tenants meets their housing needs. Housing plays a key role in the health and well-being of residents. Overcrowding of accommodation can lead to health issues and family disputes. Evidence detailed below demonstrates that this is a real problem in Havering. The review process will identify and enable the Council to allocate social housing to those in the greatest need. Where resources permit, and eligibility for social housing remains, the Council will look to housing tenants in accommodation that meets the tenants needs, either in council stock or through the use of reciprocal and nomination agreements with registered providers with whom the Council works in partnership. Similarly, reviews of this policy will also indicate in terms of disability where the tenant's current home is no longer suitable – either where the tenant or a member of their household no longer has a need for a specifically adapted property or where the review identifies that the tenant has a need for an adaptation to their home. Again, where resources permit, the Council will seek to allocate more suitable accommodation for the tenant or will assist the tenant to obtain a disabled facilities grant to adapt the home.
Positive		
Neutral	✓	
Negative		
		Evidence: The table below shows the identified size mix for affordable housing in Havering using both the 2014 and 2015 round GLA long-term trend migration figures for comparison purposes. (<i>Affordable housing is considered to be housing of any tenure which is judged to be affordable to a particular group or household by analysis of housing costs, income levels and other factors</i>).

		<p>This takes account of both overcrowded households who require a move to a larger dwelling and also under-occupying households who require downsizing.</p> <p style="text-align: center;">Fully objectively assessed housing need for Havering for affordable homes 2011 -2033</p> <p>For both the 2014 and 2015 round data, the evidence points to a high need for three bedroom properties in the affordable housing sector. The main driver of this need in the sector is the address affordable need to overcrowded households who require affordable housing in Havering larger housing.</p> <table border="1"> <thead> <tr> <th></th><th>GLA 2014</th><th>GLA 2015</th></tr> </thead> <tbody> <tr> <td>1 bedroom</td><td>900</td><td>640</td></tr> <tr> <td>2 bedrooms</td><td>2,400</td><td>2,850</td></tr> <tr> <td>3 bedrooms</td><td>4,100</td><td>5,400</td></tr> <tr> <td>4 bedrooms</td><td>700</td><td>1,610</td></tr> <tr> <td>5 bedrooms</td><td>100</td><td>20</td></tr> <tr> <td>Total affordable housing</td><td>8,200</td><td>10,520</td></tr> <tr> <td>TOTAL</td><td>25,200</td><td>30,050</td></tr> </tbody> </table> <p>Affordable Housing in Havering</p> <p>The review of this policy will assist the Council in identifying where downsizing may be appropriate to certain households and these properties can be placed back in to the churn of much needed council stock.</p>		GLA 2014	GLA 2015	1 bedroom	900	640	2 bedrooms	2,400	2,850	3 bedrooms	4,100	5,400	4 bedrooms	700	1,610	5 bedrooms	100	20	Total affordable housing	8,200	10,520	TOTAL	25,200	30,050
	GLA 2014	GLA 2015																								
1 bedroom	900	640																								
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Total affordable housing	8,200	10,520																								
TOTAL	25,200	30,050																								
		<p>Sources used:</p> <p>Outer North East London Strategic Housing Market Assessment for Havering – November 2016, by Opinion Research Services</p>																								

Review

This EqHIA will be reviewed annually, or as and when new legislation or relevant influential data that may impact on the EqHIA arrives.

Scheduled date of review: October, 2021

Lead Officer conducting the review: Darren Alexander, Assistant Director Housing Demand.

Housing Allocations Scheme 2021

Summary and purpose

We are reviewing Havering's Housing Allocations Scheme and need your help. Social housing is provided by social landlords – generally, local authorities or housing associations.

Demand for social housing in Havering significantly exceeds the number of properties available. In the financial year 2019-2020, only two in every 10 households on the housing register had a realistic prospect of securing social housing.

The Allocations Scheme sets out how the Council will prioritise access to the available housing in line with legislation and for the benefit of Havering residents. The Council Housing Demand service has recently published our new Prevention of Homelessness and Rough Sleeping Strategy 2020-2025 that makes our commitment to tackle homelessness and end rough sleeping by 2024. Havering are committed to advising and helping those who approach us in times of difficulty when they are at risk of homelessness or are already homeless.

The Housing Allocations Scheme applies to all new applicants, including homeless households, and to existing tenants transferring from one property to another. The purpose of this scheme is to clearly explain how Havering Council decides how available social housing is allocated and how we assess applications to the Housing Register.

It sets out the Council's eligibility, qualifying, and housing need criteria to ensure priority is fairly assigned and allocated to households in the greatest need. It also sets out how the Council will enable access to other forms of affordable housing such as shared ownership and intermediate rented housing.

The aims of the revised Allocations Scheme are to:

- ensure that we make the best possible use of the social housing stock;
- provide housing that is suitable to the specific needs and requirements of households;
- prioritise households that have been assessed to be in most need and to those who make a positive contribution to our community;
- help build sustainable communities and neighbourhoods, and
- ensure social and affordable housing is allocated in a clear, fair and transparent manner.

This consultation seeks to determine if these are appropriate aims and if the proposed new allocation scheme meets these aims.

We value your knowledge and input, as residents, tenants, partners and staff of Havering; you know better than anyone how important it is that the Council's Housing Allocations scheme is fair and transparent.

We therefore welcome your comments and feedback. This consultation will be your opportunity to tell us your opinion on our proposed changes.

Please ensure feedback is provided by completing this consultation questionnaire before (Date?).

Why We Are Consulting?

We are consulting because seeking views on what you think of our proposed changes, or receiving information about how the proposals might affect you or someone you know, is really important in making sure that we have taken important evidence on board before making a final decision.

Consultation instructions:

*Please place an **X** beside your selected answers as appropriate.*

About you

1. What is your name?

Name	
------	--

2. What is your email address?

Email	
-------	--

3. What is your contact phone number?

Phone	
-------	--

3. Which of the following applies to you?

Council tenant	
Private renter	
Homeowner	
Private Landlord	
Letting agent	
Housing Association	
Third sector charity / voluntary organisation	
Supported accommodation provider	
Statutory organisation (i.e. NHS, NELFT)	
Other public sector	
Business	
Other (If other, please specify)	

Please note: Please indicate here if you do NOT wish us to retain your contact details for further consultation and feedback purposes.

☐

Question 1

Our Aim: The Council is seeking to make best use of the social housing stock.

The Council has just over 1,000 households in temporary accommodation and approximately 2,000 households waiting for a Council property. Although the demand is highest for two and three bedroom homes there is a special focus on specialist supported accommodation. We also have increasing demand for genuinely affordable homes, as the local housing allowance is currently 35% below the cost for renting a private home in Havering.

Do you agree with this aim to make best use of social housing stock?

Yes	
No	
Don't know or can't say	
Please use this space to add your comments	

Question 2

Our Aim: Provide housing that is suitable to the specific needs and requirements of households.

Has this aim been achieved through the proposed allocations scheme?

Yes	
No	
Don't know or can't say	
Please use this space to add your comments	

Question 3

Our aim: Prioritise households that have been assessed to be in most need and to those who make a positive contribution to our community.

Has this aim been achieved through the proposed allocations scheme?

Yes	
No	
Don't know or can't say	
Please use this space to add your comments	

Question 4

Our Aim: Help build sustainable communities and neighbourhoods.

Has this aim been achieved through the proposed Allocations scheme?

Yes	
No	
Don't know or can't say	
Please use this space to add your comments	

Question 5

Our Aim: Ensure social and affordable housing is allocated in a clear, fair and transparent manner.

Has this aim been achieved through the proposed allocations scheme?

Yes	
No	
Don't know or can't say	
Please use this space to add your comments	

Question 6

Is there anything else you would like to add relating to the above proposed Allocations Scheme?

Please use this space to add your comments

Consultation guidelines

We are interested to hear if you agree with the aims of the allocations scheme and the amendments we have proposed.

Please indicate why you agree or disagree. We welcome any further comments or suggestions you wish for us to consider implementing as part of this work.
Thank you in advance for being part of this consultation.

Do you have any further comments or suggestions?

Please use this space to add your comments

CABINET	16th December 2020
Subject Heading:	Housing Revenue Account Business Plan 2020-2050
Cabinet Member:	Cllr Joshua Chapman, Lead Member for Housing
SLT Lead:	Patrick Odling-Smee, Director of Housing
Report Author and contact details:	Rita Bacheta, Senior Business Partner
Policy context:	Relates to the funding of council housing and the regeneration strategy.
Financial summary:	Sets out the financial planning for the HRA for the next 30 years and the investment in existing and new housing stock. Seeks approval for the prudential borrowing limits for the HRA.
Is this a Key Decision?	<p>This is a key decision because it relates to:</p> <p>(a) Expenditure (including anticipated income) of £500,000 or more</p> <p>(b) In excess of 10% of the gross controllable composite budget at Head of Service/ Assistant Chief Executive level (subject to a minimum value of £250,000)</p> <p>(c) Significant effect on two or more Ward</p>
When should this matter be reviewed?	The HRA Business Plan should be reviewed on an annual basis.
Reviewing OSC:	Towns and Communities.

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 []

SUMMARY

1. The Housing Revenue Account is a sub-account of the Council's general fund and is funded from the rents and other charges paid by the council's tenants. Under the Local Government & Housing Act 1989 the HRA must be used for service relating to the council's role as a landlord. This includes the management and maintenance of the existing stock and the development of new housing stock. The Council is required to ensure that the HRA does not operate in deficit in any financial year.
2. Following the restructuring of housing finance in 2012 the management of the HRA has been carried out on a business planning basis with the planned income and expenditure for the next 30 years projected to ensure that the commitments and assumptions can deliver a plan that is viable.
3. The Chartered Institute of Public Finance & Accounting (CIPFA) have recommended that borrowing in the HRA should be managed in the same way as through the Prudential Code for the General Fund however, given that there are different income and expenditure sources in the HRA there should be different prudential limits. This report recommends the prudential borrowing limits for the HRA that should be adopted based on best practice from CIPFA.

RECOMMENDATIONS

4. That the Cabinet note the proposed income and expenditure for the housing revenue account business plan up to 2050.

REPORT DETAIL

5. The housing revenue account (HRA) business plan sets out the council's intentions for investment in council owned social and affordable rented housing, including repairs and maintenance for its existing housing and the provision of any new affordable housing. The business plan is underpinned by a financial model which is used to project HRA cash flows and model a range of scenarios and assumptions in income and costs.
6. As the business plan makes projections for the next 30 years a number of assumptions have been used:
 - 6.1. **Rental income**
 - 6.2. Dwelling rents - average weekly rent per property (for existing homes) is estimated to increase from £98.51 to £179.25 in year 30 of the

plan. This reflects the September 2020 CPI of 0.5% for rent increases applied in April 2021 and then estimated 3% average rent increase for the next for years (being CPI +1%). For subsequent years a prudent inflationary increase (CPI, at 2%) is assumed as Government rent policy is yet to be determined. CPI is assumed at 2% throughout the model.

- 6.3. Rents for new properties are modelled at affordable levels in line with grant funding requirements from the GLA.

6.4. Voids and bad debts

The assumptions of void losses at 2% and bad debts at 1% are consistent throughout the plan and in line with other authorities, with the exception of year 1 with bad debts at 1.41%.

6.5. Inflation

Management, maintenance, service costs and charges are all inflated at 2% pa at the assumed CPI rate and therefore aligned with rent increases in the medium to longer-term.

6.6. Operating costs

Operating costs cover such items as staffing costs and responsive repairs. Havering's costs are below average however an assumption has been made of a growth 0.5% in year 20/21 and then CPI per year with an adjustment for stock numbers.

6.7. Stock Numbers

As at 31st March 2020, the stock numbers were 9,128 tenanted properties. Stock loss is assumed Right to Buys losses of 65 in 20/21 and 50 pa thereafter plus 580 properties lost due to regeneration schemes. Increase in stock due to regeneration and acquisitions are based on the numbers set out in paragraph 9.

6.8 Interest rates

- 6.9** All new borrowing for development and refinancing of existing loans if they cannot be fully repaid within the plan has been set at 2.0%. At the time of writing, LBH anticipate being able to access borrowing at lower rates following the recent government consultation which proposed discounted levels if borrowing for the purposes of housing and regeneration.

6.10 Minimum Reserve Balance

The minimum balance for the HRA needs to be determined and the existing level of £10 million has been applied in this model.

7 Investment in the existing and new stock

- 7.1 The council has carried out a stock condition survey during 2020 to assess the investment needs of the current housing stock. This has been based on surveys of a sample of properties and the analysis of the data held on the council's asset management system. Appendix 1 sets out proposed the investment needs for the stock over the next 30 years. In principle, the investment in existing stock should be funded through revenue contributions to capital rather than borrowing as the investment maintains the value of the asset rather than creating an asset.
- 7.2 This shows some additional spending in some year due the need for component replacement, particularly kitchens, bathrooms and roofs.
- 7.3 This initial 30 year plan will be used to as the basis on which to support and develop our new Asset Management strategy which will include our continued approach to Decent Homes and the impending Decent Homes 2, our approach to assessing the performance of our stock and investment decisions and the need to digitalise and future proof our properties. It will also importantly determine our ongoing approach and commitment to providing the safest homes possible and the most energy efficient, and start us on the journey to a net carbon zero housing portfolio.
- 7.4 Total expenditure in the stock over the 30 plan period is £509m and this includes £18m for fire related works and £75m to reduce the carbon emissions from the stock, significant further work is continuing to determine the scope, extent and types of works required in these areas.
- 7.5 Our previous business plan included a total capital requirement for the maintenance of our stock of £441m but this did not include any monies for the increased building safety agenda, compliance programme nor for energy efficiency improvements so the new and existing business plans have remained largely consistent.
- 7.6 We have included sufficient monies to continue to address our compliance regimes, both to support our current approaches and to address the future requirements flowing from the Building Safety Bill and Regulatory Reform (Fire Safety) Order.
- 7.7 Additionally we have allowed for the provision of additional cyclical programmes of work, such as property MOTs, cyclical decorating and drain clearance programmes which will allow us to proactively manage our stock and move from a predominantly responsive service to a more planned approach, which will improve the service for our customers.
- 7.8 We are also in the process of procuring our new repairs and maintenance contracts, which will start in late 2021. Tenders prices have increased over the life of the previous contract and with the additional Covid risk it is likely that we will see increased prices for the delivery of the service.

7.9 The build-up of repairs and maintenance costs is on a per unit price, based on average spend information provided by consultants, it therefore does include reasonable contingencies to reflect market uncertainties and potential legislation changes in the future.

8.0 HRA Revenue Accounts

8.1 The HRA account as illustrated in Appendix 2 is always in a surplus position. The net income and expenditure position is top up with borrowing to ensure HRA reserves are maintained at £10m.

8.2 Appendix 2 also shows that the HRA can cover the cost of borrowing.

9.0 Regeneration and borrowing assumptions.

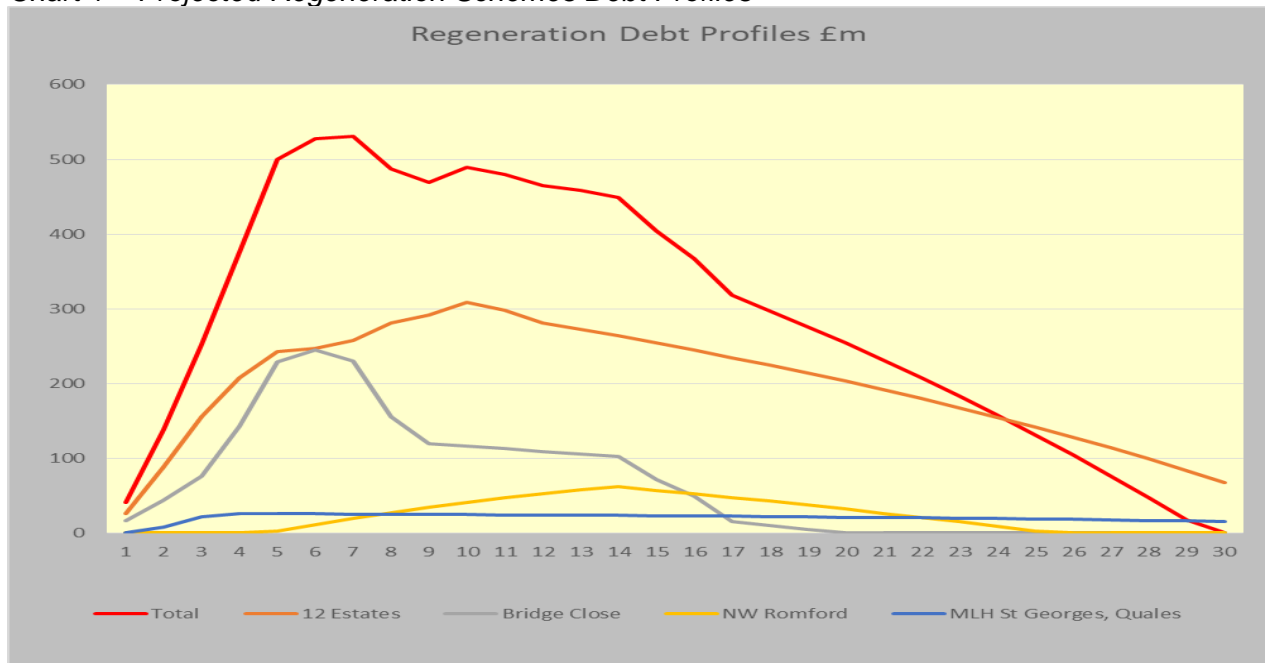
Scheme Name	Years of deliver	No. of units	Total HRA borrowing requirements
Napier New Plymouth	2020-2023	197	£48m
Solar Serena Sunrise	2020-2023	134	£27m
Waterloo Estate	21/22-	556	£91M
Council Buy-back scheme including regen	2020-2030		£43M
Farnham & Chippenham Road including the new Family Welcome & Assessment Centre	2020-2324	685	£96M
Bridge Close	2020-2028	535	£110M
NW Romford	2024-2034	229	£40M
MLH	2020-2024	87	£28M

9.1 The following assumptions on regeneration have been assumed in the business plan:

9.1.1 As referred to above, LBH is undertaking an estate regeneration

9.1.2 The graph below shows specifically the financial impact of the various schemes to the HRA, if borrowing is assumed at 2%.

Chart 1 – Projected Regeneration Schemes Debt Profiles



9.2 Whilst the charts do not take into account the loss of net income from the 580 properties, it does provide reassurance that in overall terms the regeneration schemes fully cover their initial borrowing costs, from 2020, within 30 years.

9.3 Borrowing requirements

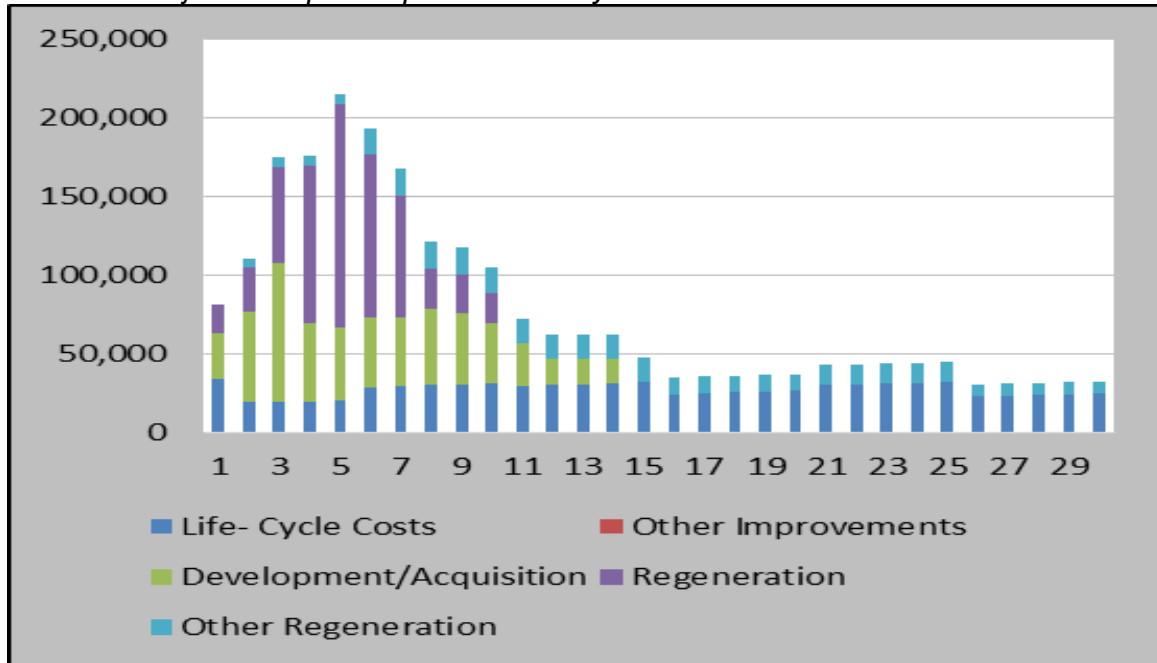
9.3.1 In April 2012, as a result of self-financing, Havering was given a debt allocation of c£170 to date, the HRA self-financing debt remains at £170m which is the bulk of the current HRA borrowing. The cost of servicing this debt is circa £6m pa. Since April 2012, the Council has borrowed a further £28m (in 2019/20) increasing the HRA debt to £198m.

9.3.2 The HRA borrowing requirements, whilst maintaining a £10m reserve balance, for the next 10 years are as follows:

	1	2	3	4	5	6	7	8	9	10
	2020.21	2021.22	2022.23	2023.24	2024.25	2025.26	2026.27	2027.28	2028.29	2029.30
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
HRA borrowing	11.337	101.844	128.951	125.477	126.981	59.507	18.638	0	0	14.520

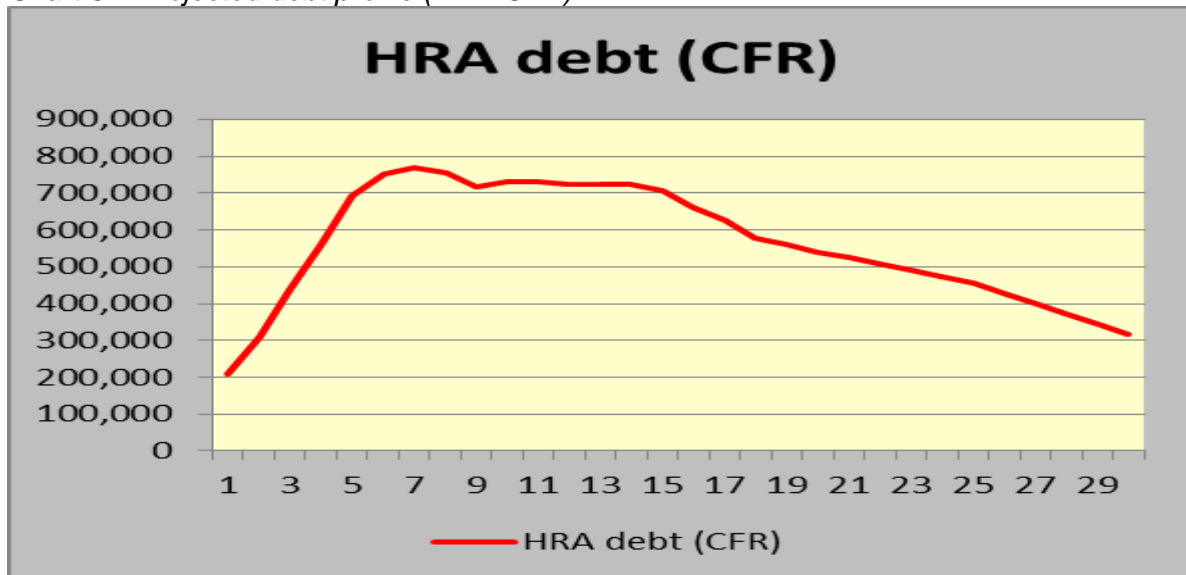
9.3.3 There is significant capital expenditure within the early years of the plan and we have demonstrated in the chart below the categories that provide the reasons for this. It is important to note that the life-cycle costs relating to the existing stock exclude provision for energy efficiency works.

Chart 2 – Projected Capital Expenditure Analysis



9.3.4 In order to the finance the levels of capital expenditure demonstrated above (chart 3) the projected debt (HRA CFR) is demonstrated in the graph below.

Chart 3 – Projected debt profile (HRA CFR)



9.3.5 Borrowing is projected to peak in year 7 at £770million and then is capable of being reduced to £315.8million by year 30.

9.3.6 The HRA BP assumes when the CFR loans mature, the debt is not refinanced. The HRA only borrows as required.

10.0 Metrics

- 10.1 The impact of modelling in the HRA can be measured through a set of indicators. Post the debt cap it is important that the council adopt a set of metrics to measure the debt and borrowing capacity.
- 10.2 To measure the viability of the model, the outputs from the HRA Business Plan model can be analysed using a set of well identified metrics. These metrics are starting to be used in councils and more widely in the private sector and housing associations.
- 10.3 The table below shows the comparisons of the metrics against 15 outer London boroughs and a peer group of similar local authorities, with similar sized HRA. 2018/19 is the latest data available. Data for the gearing ratio is not available.

Description	LBH Forecasts 2020.21	LBH Actual 2018.19	15 Outer London 2018.19	Peer Group 2018.19	National Actual 2018.19
Operating margin	23%	30%	25%	29%	24%
Interest Cover Ratio	1.92	2.90	2.00	1.91	1.93
Loan to Value	36%	30%	24%	28%	28%
Debt: Turnover	3.8	3.1	2.9	4.1	3.2

- 10.4 Operating Margin is calculated as the percentage of 'Net Income from Services' over 'Total Income'. The Council's operating margin of 23% is below peer groups. Operating surpluses in 2020.21 are budgeted to be 23% of turnover (the Operating Margin). This is lower than the conventional average performance of housing associations and reflects the high level of repairs and management expenditure as a percentage of turnover, but is on a par with the national position for local authorities in 2018.19¹.

The operating margin is projected to increase in the following years and after year 2023.24 remains above 30% for the rest of the Business Plan.

- 10.5 The suggested minimum metrics have been set as follows:

- Interest Cover Ratio (ICR) @ minimum 1.25
- Loan to Value (LTV) @ maximum 70%
- Gearing-proxy @ maximum 70%
- Debt to Turnover @ maximum 5.0-8.0

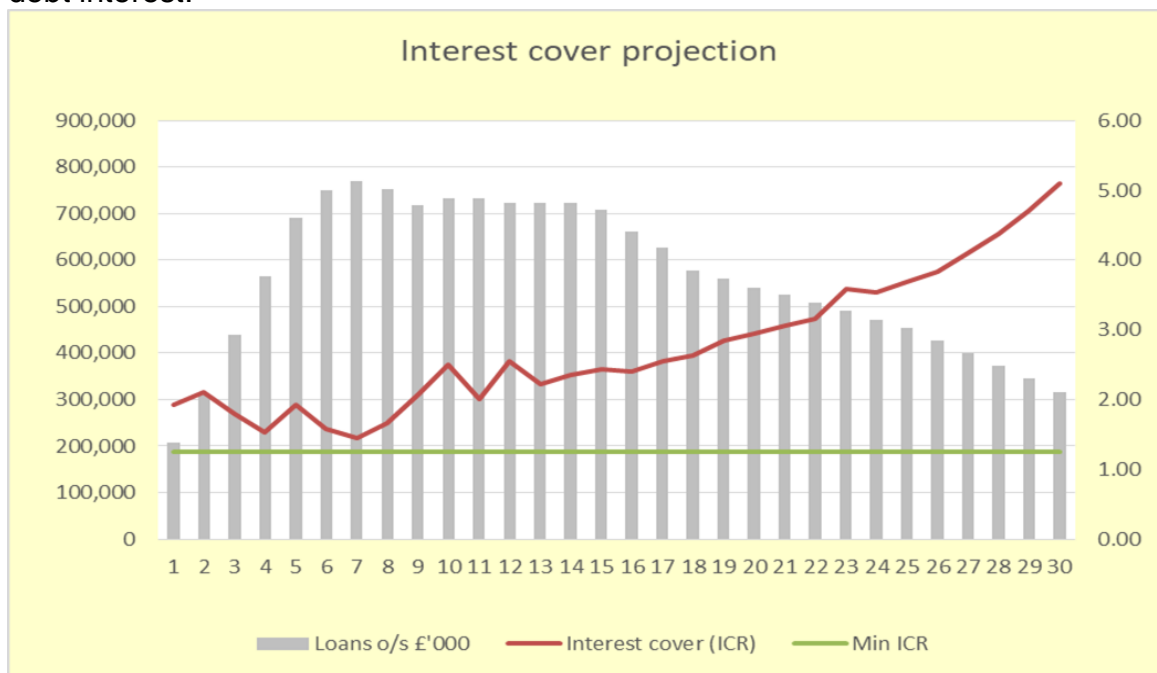
¹ The latest year for which we have comprehensive sector-wide data

- 10.6 These are suggested minimum/maximum constraints and have been based on the benchmarking data and the advice of Savills. Traditionally local authorities, due to the historical constraints of the borrowing cap, have had low levels of borrowing compared to housing association. Therefore their ICR and loan to values have been conservative. Those proposed here are closer to the commercial levels used by housing associations. The Council may wish to operate with a leeway within each.

The four graphs below illustrate these metrics.

Chart 4.1– Interest Cover Ratio Projections

This is the ratio of operating surplus divided by interest costs, and represents the cover that the HRA has against its interest cost liabilities in any year; the ICR is set to a minimum which provides comfort that if there were a sudden drop in income or increase in operating costs, there would be sufficient headroom to continue to cover debt interest.

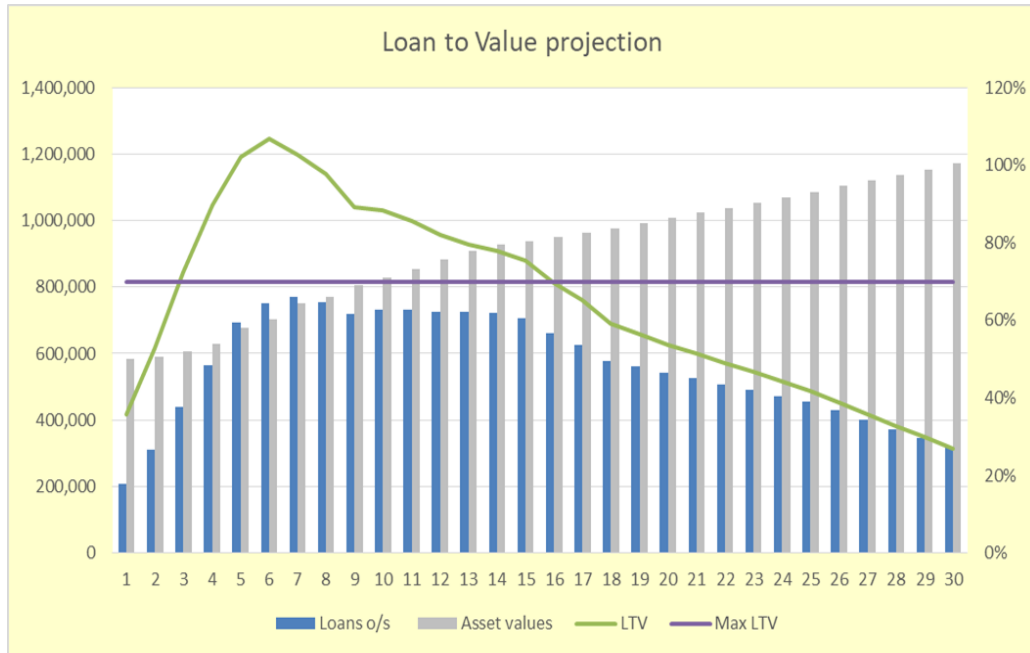


- The ICR does not fall below the 1.25 suggested minimum level throughout the plan (lowest level 1.45 Yr. 6)
- The ICR shows that capacity is available in the early to mid-years and then begins to grow following the completion of the majority of the estate regeneration schemes.

Chart 4.2 – Loan to Value Ratio Projections

LTV is best defined in the HRA context as Outstanding Debt / Fixed Asset Value. Debt is defined as the HRA CFR as this is the amount that must be financed with interest payments in the HRA. Asset values include all assets, dwellings and non-

dwellings, as all assets are included in the generation of net income cashflows in the HRA.

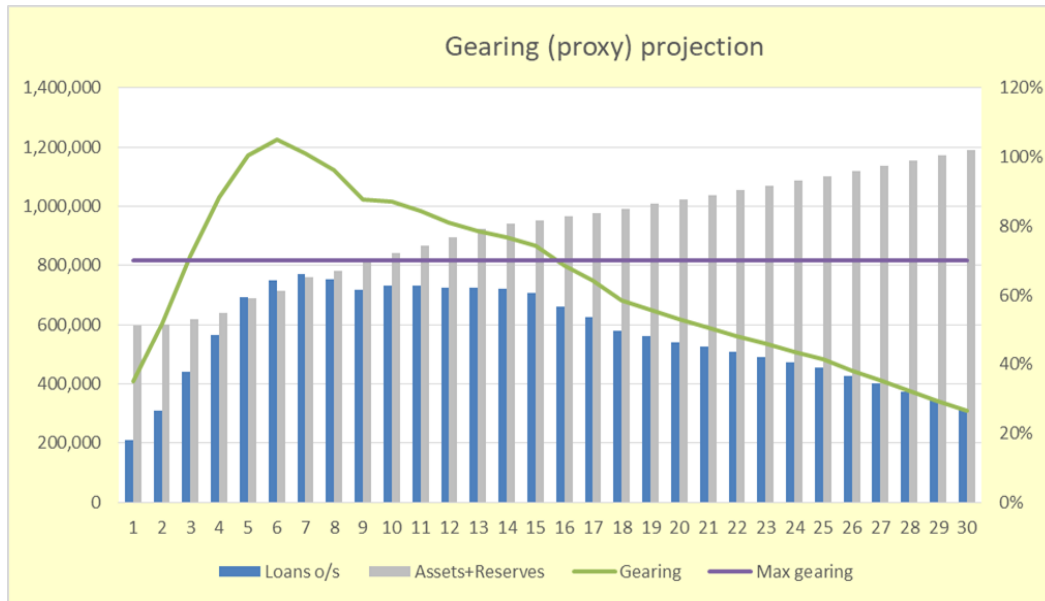


- The graph demonstrates that there is the same direction of travel in terms of no capacity over the first half of the plan for the LTV and gearing projections until the second-half of the plan.
- This graph requires further explanation. The Existing Use Valuation for asset valuation, used in this formula is 25% of the market value, as stated in the Statement of Accounts. This is the same valuation methodology used across London. This will be revised next year by MHCLG so this figure may be adjusted.
- Hence the LTV figure will always be higher for a HRA then a housing association.
- The above graph demonstrates that debt will exceed the balance sheet values of the properties between years 3-16. This is expected as the majority of the build phase is in the next 10 years, after which point the Assets Values start to increase and hence the LTV begins to reduce to 70% in year 16. Performance needs to be carefully monitored to ensure the LTV reduces to the target level.

Chart 4.3 – Gearing Ratio Projections

The gearing ratio aims to capture the extent to which assets are financed through debt. Gearing is set to a maximum, with 70% being typical.

There are obvious challenges in the HRA context in considering the use of historic costs for asset acquisition/development and also the extent to which assets have been financed from reserves or capital receipts over many decades. We have therefore proposed a “proxy” for gearing which aims to capture some sense of the development of reserves alongside asset value to provide an extra sense around capacity.

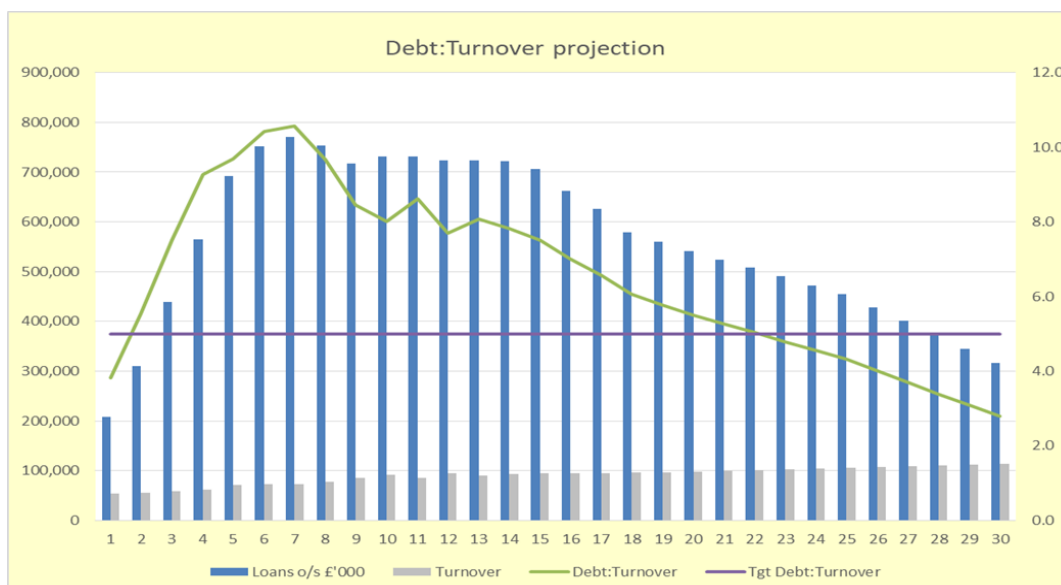


The measure demonstrates the difference between borrowing and asset value, including reserve balances. Gearing is above the recommended 70%, between years 3 and 16.

As explain above, this is expected whilst the Council is build phase and Asset Values do not realise until after year 10.

Chart 4.4 – Debt: Turnover Ratio Projections

Another measure we have developed for this analysis is the ratio of Debt to Turnover. This measures the level of turnover in relation to debt, which differs slightly from the ratio used for assessing debtor balances against turnover. As a proxy we have suggested a ratio of 5:0, so that turnover can cover the level of debt outstanding by a factor of 5 times.



- In year 0, the starting position of self-financing, the Debt to Turnover ratio is 3.
- In year one and two (2020/21, 2021/22) the plan projects the Council will borrow a further £113m (7.11.2 above), this added to the self-financing debt, results in Debt to Turnover ratio of 5.5.
- The Council's ambitions to borrow a further £474m will no doubt result in ratio above 5 until the builds are complete and rental income is realised.

11.0 Stress testing the assumptions.

11.1 Impact of changing assumptions and behaviour

11.2 The table below sets out a series of sensitivities to illustrate how changes in behaviour or underlying economic assumptions might impact future capacity, given no additional changes to stock numbers.

Sensitivity of future debt capacity forecasts – ICR basis

Max debt capacity @ x years £million *	Debt Capacity	
	Year 11	Year 30
Base Plan	1,179	1,333
General Inflation +1%	1,285	1,630
General Inflation -0.5%	1,129	1,184
Management Costs decrease by 2%	1,200	1,352
Rents Increase by CPI +0.5% long-term post-2025	1,231	1,538

** Based on ICR calculation*

The table illustrates the following:

- Increases in income may support further significant growth opportunities, whether those are driven by real rent increases or simply higher inflation in the shorter-term.
- Local decisions around management and maintenance operating costs can also have an impact on capacity.

12.0 Scenario modelling: incorporating an estimate for increase in expenditure

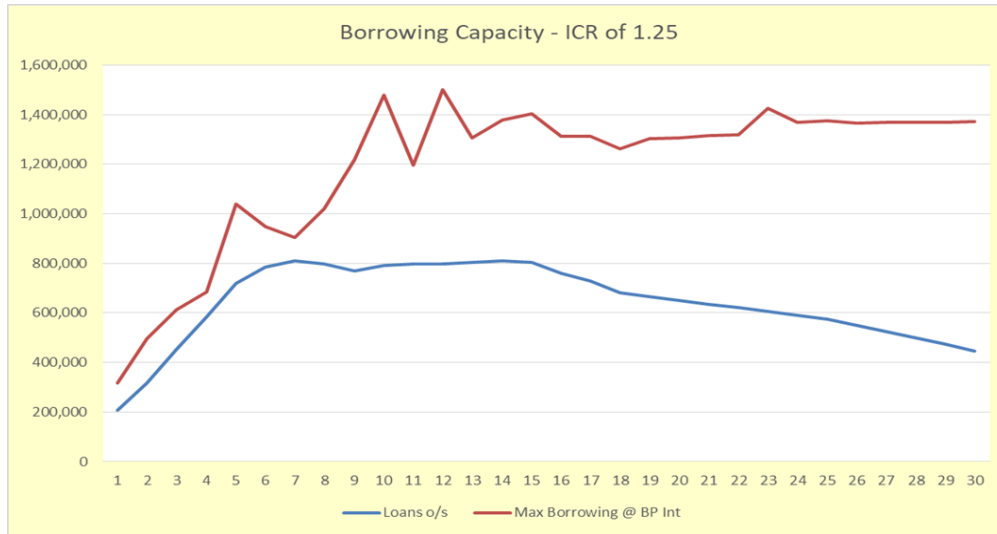
A. Energy Efficiency Investment

By way of illustration, if the Council incorporated a general estimate of additional investment expenditure to existing stock in the order of the provision of £75million towards energy efficiency works

This will assess if:

1. The potential additional expenditure could be supported by the business plan
2. The impact that such growth could have on increasing capacity over time.

Chart 5.1 – Interest Cover Ratio projections – £75m of Energy Efficiency Works

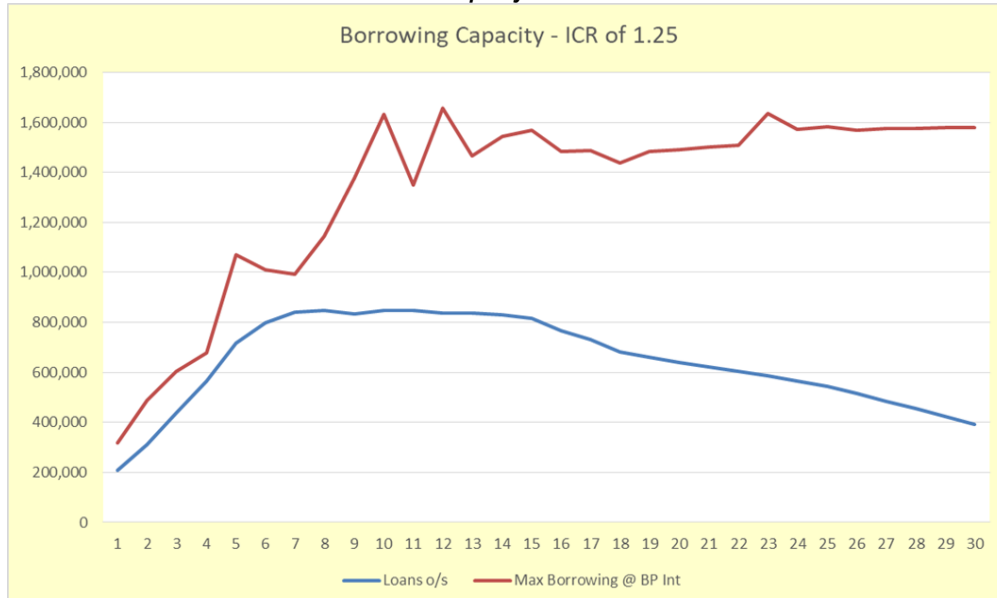


As expected, due to increasing the interest charges and additional borrowing the HRA capacity headroom reduces to a minimum point of £94million in year 6. Furthermore, due to the additional borrowing the projected closing HRA CFR position would be £447million.

B. Investment in Additional New Homes

By way of example we have modelled the addition of 500 homes developed or acquired in years 5 to 9 at a cost of £350,000 per unit (inflated) with assumed subsidy through 1-4-1 receipts at 30% with rents charged at affordable levels.

Chart 5.2 – Interest Cover Ratio projections – addition of 500 new homes

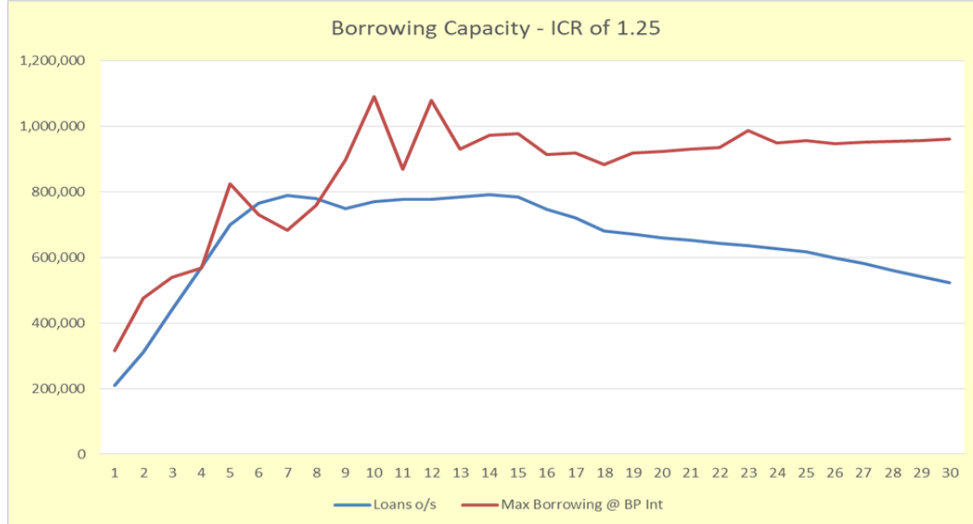


The closing HRA CFR position is higher at £391million but with borrowing headroom minimised at £112million at year 3. Whilst borrowing increases the benefit of additional net rental income increases borrowing capacity.

C. Increase in Interest Charges

In this scenario we have modelled the average interest rate for new borrowing and refinancing at 3.0% to demonstrate the impact this would have on the plan and the ICR borrowing capacity metric.

Chart 5.3 – Interest Cover Ratio Projections – Additional 1% Interest Charge

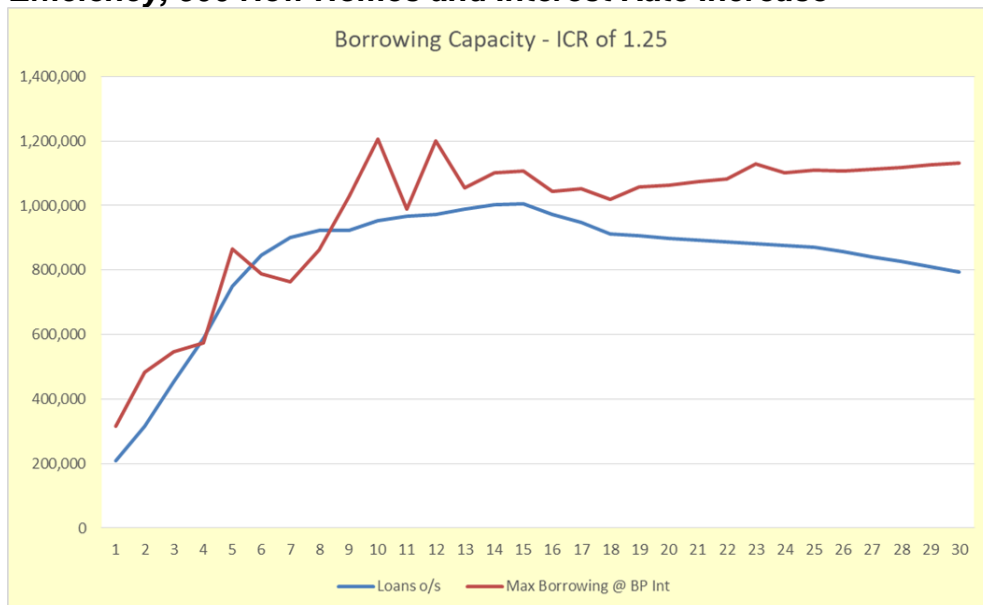


The additional interest charge results in additional borrowing with a forecast closing position of £522million and for a short period of two years the levels of loan capacity being exceeded.

D. Combination of scenarios

We have modelled the combined impact of the above scenarios upon the ICR.

Chart 5.4 – Interest Cover Ratio Projections – Combination of Energy Efficiency, 500 New Homes and Interest Rate Increase



The final debt outstanding is forecast at £794million and in terms of debt capacity, the modelling demonstrates that between years 6 and 8 the HRA CFR would be greater than the suggest maximum level of borrowing.

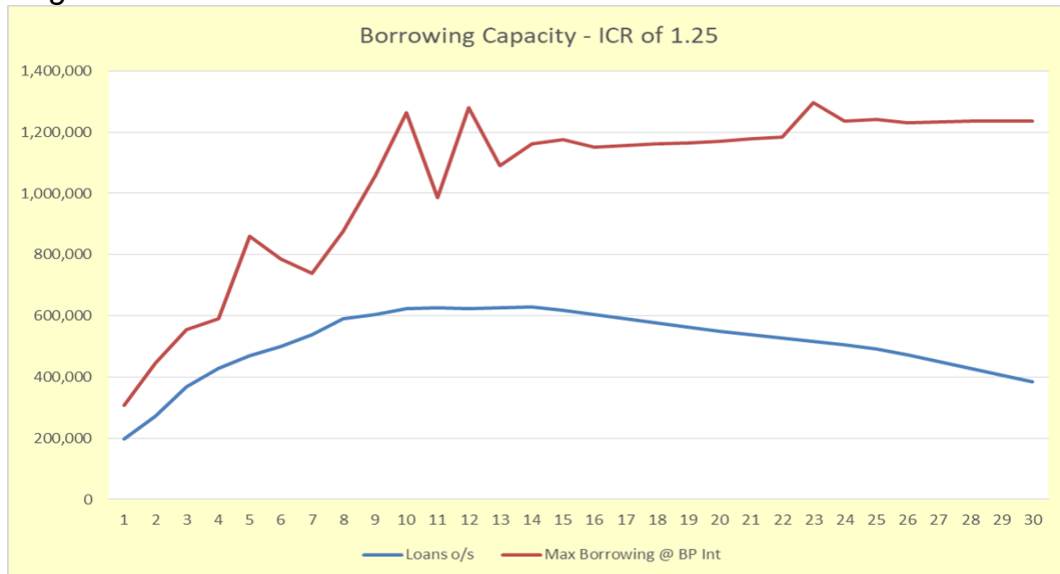
There are a series of mitigating factors to the scenarios modelled:

- There could be a form of Government subsidy towards the costs of energy efficiency works
- The profile of delivery of the additional 500 homes could be delayed or spread over a greater period
- The risk of interest rate increases will be offset by significant borrowing in the earlier years which will be on fixed rate borrowing rates this bringing down the average interest rate, possibly below the 2.0% modelled.

E. Exclusion of Bridge Close Regeneration Scheme

This scenario considers the exclusion of the Bridge Close Regeneration scheme initially delivering a total of 535 properties for rent at affordable and sub-market rent with shared ownership included.

Chart 5.5 – Interest Cover Ratio Projections – Exclusion of Bridge Close Regeneration Scheme



Due to the positive impact this scheme has on the plan the resulting debt at year 30 increases to £385.4million, an increase of £69.6million. It does, however, create additional borrowing capacity where the minimum headroom is £163million in year four.

13.0 Summary

- 13.1 The HRA business plan forecast has been refined to generate an analysis of future borrowing capacity.
- 13.2 The defined four metrics or ratios illustrate how a capacity framework might be developed to underpin future decision making in investment and borrowing strategies.
- 13.3 Operating margins of c23% are lower than the national HRA average and peer group. Our current performance against the four capacity metrics suggests that the HRA is however slightly higher geared initially than the average HRA and then increases with additional borrowing. This then reduces after year 6. Unutilised capacity is immediately available, but dependent upon assumptions within the model this may be planned to be utilised in future years.
- 13.4 The plan provides a robust base upon which to analyse future debt capacity levels.
- 13.5 By substantially increasing the investment in existing stock, for example to assist with meeting the energy efficiency agenda, would still result viable business plan although at the expense of additional borrowing. The investment in new stock, through the acquisitions and regeneration schemes, creates the income stream from the additional rent, that enables the long-term investment in the existing stock. Without that investment in new stock the income stream would diminish, thus reducing our ability to maintain our stock to a decent level.
- 13.6 The primary suggested capacity constraint, therefore, within the business plan is the Interest Cover Ratio, which measures the extent to which operating surpluses can cover debt interest payments and provide comfort against short-medium term reductions in income or increases in costs against the backdrop of £10million minimum reserve balances (inflated) within the plan.
- 13.7 The Council can affect future operating surpluses through effective cost management and this would increase borrowing capacity. Similarly, increases in inflation and in particular in rent inflation would add significantly to future capacity.

REASONS AND OPTIONS

14.0 Reasons for the decision:

It is best practice from the CIPFA to carry out a review of the 30 year business plan on a regular basis and to test out potential scenarios based on the risks

that have been identified. The proposed prudential borrowing rules enable the assessment of the risks to the business plan to be considered in the context of the impact they would have to the financial health of the HRA.

15.0 Other options considered:

15.1 Alternative scenarios and options have been set out in the body of the report.

IMPLICATIONS AND RISKS

16.0 Financial implications and risks:

- 16.1 As has been portrayed in the graphs and information earlier in this report, the latest plan seeks to maximise the investment in regeneration programmes in order to deliver new homes for the borough. The consequence of this is that the capital expenditure profile drives up the level of borrowing required in order to achieve this objective, taking the peak borrowing year in the plan (2026/27) to £770.00m. Up to year 13, the borrowing remains above £731m before reducing over the remainder of the plan as capital expenditure decreases. This sustained increased debt level, reduces the ability of the HRA to absorb and manage the financial impact of unforeseen and unplanned risks that may materialise during the course of the plan.
- 16.2 This means that if any overspends to budget occur which place an increased burden on the HRA, or if capital receipts are delayed or reduced, this would further increase the borrowing requirement. The HRA is currently by law not allowed to budget for an in year I&E deficit so there is a point where the revenue budget cannot support sustained high levels of borrowing. Therefore, the Council would need to identify and implement a number of actions which mitigate and reduce the pressure on borrowing.
- 16.3 It is important to note that the spend profile in this plan is not wholly and contractually committed such that the council is left with no controls or levers with which to control the level of capital spend set out in the programme. It sets out the aspiration of what could be achieved within the constraints of the assumed borrowing cap and reserves if everything went to plan, while also demonstrating that over the longer term the plan can be maintained as a viable proposition.
- 16.4 The Business Plan conforms to the Chartered Institute of Housing (CIH) and CIPFA voluntary code on self-financing HRAs. This includes compliance with CIPFA's Code of Practice on Local Authority Accounting in the UK including depreciation of assets on a componential basis.
- 16.5 The Council complies with the both the principles of co-regulation as set out in "The Regulatory Framework for Social Housing in England from 2012" and the requirements of the CIPFA/CIH "Voluntary code of practice on self-financing HRAs".

17.0 Legal implications and risks

- 17.1 Statutory requirements as to the keeping of a Housing Revenue Account (HRA) are contained in the Local Government and Housing Act 1989. The provisions include a duty, under Section 76 of the Act, to budget to prevent a debit balance on the HRA and to implement and review the budget.
- 17.2 The Localism Act 2011 contains provisions relating to housing finance in Sections 167 to 175. These provisions introduced a new system of council housing finance which ended the current Housing Revenue Account subsidy system in England and replaced it with self-financing arrangements. Section 171 of the Localism Act 2011 empowered the Secretary of State to make provision relating to the level of indebtedness in relation to local housing authorities in England which keep a Housing Revenue Account.
- 17.3 Under Regulation 12 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 (as amended) local authorities are required to use RTB capital receipts to pay the "poolable amount" to the Secretary of State, on a quarterly basis.

18. Human Resources implications and risks:

There are no direct human resources implications of this report.

19. Equalities implications and risks:

The investment in the council housing stock and the delivery of new affordable housing set out in this report will have a positive impact on current and future tenants with protected characteristics.

20. Health and Wellbeing implications and Risks

The provision of good quality affordable housing has a direct impact on the health and well-being of residents of Havering.

BACKGROUND PAPERS

Appendices

- Appendix 1. Housing Investment Needs for council stock**
Appendix 2. HRA Business Plan Projections

Appendix 1

Housing Investment Needs for council stock

Source: Savills Stock Condition Survey 2020

Element	Years 1 to 5	Years 6 to 10	Years 11 to 15	Years 16 to 20	Years 21 to 25	Years 26 to 30	30 year total
Capital							
Capital Programme	£34,713,845	£84,276,624	£78,412,849	£54,005,198	£65,624,718	£37,590,886	£354,624,120
Contingent Major Repairs @ 3%	£1,041,415	£2,528,299	£2,352,385	£1,620,156	£1,968,742	£1,127,727	£10,638,724
Environmental Improvements	£4,351,000	£4,351,000	£2,500,000	£2,500,000	£2,500,000	£2,500,000	£18,702,000
Related Assets	£3,263,250	£3,263,250	£3,263,250	£3,263,250	£3,263,250	£3,263,250	£19,579,500
Asbestos Contingency	£1,000,000	£1,000,000	£1,000,000	£0	£0	£0	£3,000,000
Block - M&E	£5,000,000	£5,000,000	£0	£0	£0	£0	£10,000,000
Building Safety	£18,000,000	£0	£0	£0	£0	£0	£18,000,000
Zero Carbon	£25,000,000	£25,000,000	£25,000,000	£0	£0	£0	£75,000,000
Sub total	£92,369,511	£125,419,173	£112,528,484	£61,388,604	£73,356,710	£44,481,862	£509,544,343
Revenue							
Responsive Maintenance	£32,632,500	£32,632,500	£32,632,500	£32,632,500	£32,632,500	£32,632,500	£195,795,000
Void Maintenance	£10,877,500	£10,877,500	£10,877,500	£10,877,500	£10,877,500	£10,877,500	£65,265,000
Compliance programme	£17,404,000	£17,404,000	£17,404,000	£17,404,000	£17,404,000	£17,404,000	£104,424,000
Cyclical Maintenance	£15,228,500	£15,228,500	£15,228,500	£15,228,500	£15,228,500	£15,228,500	£91,371,000
Sub total	£76,142,500	£76,142,500	£76,142,500	£76,142,500	£76,142,500	£76,142,500	£456,855,000
Grand Total	£168,512,011	£201,561,673	£188,670,984	£137,531,104	£149,499,210	£120,624,362	£966,399,343
Total per annum	£33,702,402	£40,312,335	£37,734,197	£27,506,221	£29,899,842	£24,124,872	£32,213,311
Total cost per property over 30 years		£98,161					

Appendix 2 – HRA Business Plan Projections

Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Financial Year	2020.21	2021.22	2022.23	2023.24	2024.25	2025.26	2026.27	2027.28	2028.29	2029.30	2030.31	2031.32	2032.33	2033.34	2034.35
HRA 30 YEAR SUMMARY															
Dwelling rents	45,699,668	46,749,905	47,169,856	48,995,298	51,160,423	55,624,883	57,386,754	60,972,376	62,694,695	65,237,153	67,280,805	69,705,604	72,181,094	74,615,575	75,735,719
Non-dwelling rents	326,280	327,911	334,470	341,159	347,982	354,942	362,041	369,281	376,667	384,200	391,884	399,722	407,717	415,871	424,188
Service charge income	7,390,380	7,427,332	7,575,879	7,727,396	7,881,944	8,039,583	8,200,375	8,364,382	8,531,670	8,702,303	8,876,349	9,053,876	9,234,954	9,419,653	9,608,046
Other income and contributions	1,036,834	1,541,385	3,364,049	3,923,659	11,961,390	8,012,949	6,854,252	8,125,208	13,215,290	16,917,373	8,262,976	14,959,935	7,723,255	7,958,500	8,296,816
Total income	54,453,161	56,046,534	58,444,253	60,987,513	71,351,739	72,032,356	72,803,421	77,831,248	84,818,322	91,241,030	84,812,014	94,119,138	89,547,019	92,409,599	94,064,769
Repairs & maintenance	7,242,350	7,270,056	7,392,413	7,540,092	7,757,513	8,090,148	8,315,048	8,605,099	8,787,303	9,019,094	9,230,890	9,463,352	9,698,965	9,929,737	10,089,122
Management (incl RRT)	24,861,760	25,060,288	25,610,289	26,219,213	26,968,176	27,930,232	28,707,613	29,599,303	30,307,086	31,134,727	31,885,733	32,692,519	33,520,477	34,354,442	35,054,546
Bad debts	656,911	471,897	471,906	490,407	508,812	554,186	567,935	604,170	621,385	646,961	667,440	691,801	716,671	741,116	752,140
Dwelling Depreciation	9,304,000	9,304,000	9,304,000	9,479,600	9,658,712	9,841,406	10,038,234	10,238,999	10,443,779	10,652,655	10,865,708	11,083,022	11,304,682	11,530,776	11,761,391
Debt management	47,820	48,059	49,020	50,001	51,001	52,021	53,061	54,122	55,205	56,309	57,435	58,584	59,755	60,951	62,170
Total costs	42,112,841	42,154,300	42,827,629	43,779,312	44,944,214	46,467,992	47,681,892	49,101,693	50,214,757	51,509,745	52,707,207	53,989,277	55,300,551	56,617,021	57,719,369
Net income from services	12,340,320	13,892,234	15,616,624	17,208,201	26,407,525	25,564,364	25,121,529	28,729,555	34,603,565	39,731,284	32,104,807	40,129,861	34,246,468	35,792,578	36,345,400
Interest payable	-6,420,270	-6,622,124	-8,686,780	-11,263,859	-13,776,384	-16,230,025	-17,308,221	-17,235,040	-16,685,073	-15,847,137	-15,938,108	-15,739,255	-15,387,323	-15,180,278	-14,922,790
Interest income	515,428	547,503	562,848	430,322	303,406	167,554	400,919	402,486	375,561	194,785	87,113	-32,479	-12,713	6,600	28,884
Net income/expenditure before appropriate	6,435,478	7,817,612	7,492,692	6,374,664	12,934,547	9,501,894	8,214,227	11,897,000	18,294,053	24,078,932	16,253,813	24,358,127	18,846,432	20,618,900	21,451,494
Set aside for debt repayment	0	0	0	0	0	0	0	-11,566,379	-17,618,719	0	-46,056	-8,045,162	0	-1,698,762	-15,105,493
Revenue contributions to capital	-1,917,000	-12,117,761	-7,291,692	-6,169,644	-12,725,427	-9,288,591	-7,996,659	0	0	-24,405,723	-15,972,253	-15,956,738	-18,717,427	-18,405,624	-6,036,906
Net HRA Surplus/Deficit	4,518,478	-4,300,149	201,000	205,020	209,120	213,303	217,569	330,621	675,334	-326,790	235,504	356,227	129,005	514,514	309,095
HRA Balance brought forward	9,831,671	14,350,149	10,050,000	10,251,000	10,456,020	10,665,140	10,878,443	11,096,012	11,426,633	12,101,967	11,775,177	12,010,680	12,366,907	12,495,912	13,010,426
HRA surplus/(deficit)	4,518,478	-4,300,149	201,000	205,020	209,120	213,303	217,569	330,621	675,334	-326,790	235,504	356,227	129,005	514,514	309,095
HRA Balance carried forward	14,350,149	10,050,000	10,251,000	10,456,020	10,665,140	10,878,443	11,096,012	11,426,633	12,101,967	11,775,177	12,010,680	12,366,907	12,495,912	13,010,426	13,319,521
Year	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
Financial Year	2035.36	2036.37	2037.38	2038.39	2039.40	2040.41	2041.42	2042.43	2043.44	2044.45	2045.46	2046.47	2047.48	2048.49	2049.50
HRA 30 YEAR SUMMARY															
Dwelling rents	75,756,685	75,971,472	76,001,685	77,153,397	78,320,777	79,503,990	80,703,204	81,918,585	83,150,299	84,398,515	85,663,399	86,945,119	88,243,843	89,559,737	90,892,970
Non-dwelling rents	432,672	441,326	450,152	459,155	468,338	477,705	487,259	497,004	506,944	517,083	527,425	537,973	548,733	559,708	570,902
Service charge income	9,800,207	9,996,211	10,196,135	10,400,058	10,608,059	10,820,220	11,036,624	11,257,357	11,482,504	11,712,154	11,946,397	12,185,325	12,429,032	12,677,612	12,931,165
Other income and contributions	8,522,694	8,911,026	8,896,582	8,882,909	8,870,017	8,857,915	8,846,613	8,836,121	8,826,451	8,817,612	8,809,616	8,802,474	8,796,198	8,790,799	8,786,289
Total income	94,512,258	95,320,034	95,544,555	96,895,519	98,267,191	99,659,830	101,073,700	102,509,067	103,966,198	105,445,364	106,946,837	108,470,892	110,017,805	111,587,856	113,181,325
Repairs & maintenance	10,201,152	10,323,476	10,440,288	10,606,317	10,775,298	10,947,277	11,122,302	11,300,420	11,481,681	11,666,134	11,853,828	12,044,812	12,239,138	12,436,857	12,638,019
Management (incl RRT)	35,671,611	36,315,697	36,959,344	37,698,531	38,452,502	39,221,552	40,005,983	40,806,103	41,622,225	42,454,669	43,303,763	44,169,838	45,053,235	45,954,299	46,873,385
Bad debts	751,941	753,711	753,589	764,902	776,367	787,984	799,755	811,682	823,766	836,009	848,412	860,976	873,704	886,597	899,656
Dwelling Depreciation	11,996,619	12,236,552	12,481,283	12,730,908	12,985,527	13,245,237	13,510,142	13,780,345	14,055,952	14,337,071	14,623,812	14,916,288	15,214,614	15,518,906	15,829,284
Debt management	63,413	64,681	65,975	67,294	68,640	70,013	71,413	72,842	74,298	75,784	77,300	78,846	80,423	82,031	83,672
Total costs	58,684,735	59,694,117	60,700,479	61,867,953	63,058,333	64,272,063	65,509,595	66,771,391	68,057,922	69,369,667	70,707,114	72,070,761	73,461,114	74,878,691	76,324,016
Net income from services	35,827,523	35,625,917	34,844,076	35,027,566	35,208,858	35,387,768	35,564,106	35,737,676	35,908,276	36,075,697	36,239,723	36,400,131	36,556,691	36,709,165	36,857,309
Interest payable	-14,874,546	-13,979,878	-13,256,600	-12,337,237	-11,964,793	-11,579,162	-11,256,673	-9,978,582	-10,171,522	-9,797,650	-9,442,923	-8,899,994	-8,352,146	-7,792,499	-7,224,558
Interest income	50,607	71,467	99,391	122,003	147,510	169,388	195,384	221,783	255,103	275,429	307,374	337,514	369,721	401,776	434,802
Net income/expenditure before appropriate	21,003,583	21,717,506	21,686,867	22,812,333	23,391,574	23,977,993	24,502,817	25,980,877	25,991,858	26,553,477	27,104,174	27,837,650	28,574,266	29,318,443	30,067,553
Set aside for debt repayment	-20,952,593	-20,605,933	-21,579,862	-18,597,127	-19,437,233	-16,096,729	-16,532,966	-16,710,399	-18,852,758	-17,217,552	-26,793,793	-27,326,988	-27,949,145	-28,368,601	-28,690,837
Revenue contributions to capital	0	0	0	-3,747,675	-4,216,074	-7,583,767	-7,735,177	-8,014,902	-8,184,639	-8,583,441	0	0	-287,383	-600,829	-1,023,339
Net HRA Surplus/Deficit	50,989	1,111,573	107,005	467,531	-261,733	297,498	234,673	1,255,576	-1,045,539	752,483	310,381	510,663	337,739	349,013	353,378
HRA Balance brought forward	13,319,521	13,370,510	14,482,083	14,589,088	15,056,619	14,794,886	15,092,384	15,327,058	16,582,634	15,537,096	16,289,579	16,599,960	17,110,623	17,448,362	17,797,374
HRA surplus/(deficit)	50,989	1,111,573	107,005	467,531	-261,733	297,498	234,673	1,255,576	-1,045,539	752,483	310,381	510,663	337,739	349,013	353,378
HRA Balance carried forward	13,370,510	14,482,083	14,589,088	15,056,619	14,794,886	15,092,384	15,327,058	16,582,634	15,537,096	16,289,579	16,599,960	17,110,623	17,448,362	17,797,374	18,150,752

Cabinet, 16 December 2020

Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Financial Year	2020.21	2021.22	2022.23	2023.24	2024.25	2025.26	2026.27	2027.28	2028.29	2029.30	2030.31	2031.32	2032.33	2033.34	2034.35
HRA CAPITAL PROGRAMME															
Stock capital Investment	34,102,932	19,033,250	19,383,665	19,740,483	20,103,821	28,859,680	29,395,055	29,956,264	30,618,606	31,691,052	29,252,455	30,171,353	30,764,732	31,512,213	32,195,382
Other improvements	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Development/Acquisition	29,271,755	57,607,173	88,400,280	49,418,151	46,598,255	44,341,281	43,209,613	48,895,128	45,325,100	37,616,278	27,094,321	16,175,567	15,745,419	14,958,148	0
Demolition & Forward Funding	17,528,066	27,889,731	60,563,927	100,585,272	141,920,251	103,370,740	77,960,528	25,337,873	24,762,373	18,767,786	0	0	0	0	0
Other Regeneration	20,055,036	28,580,631	16,682,653	10,056,176	4,402,794	8,379,628	18,035,268	13,569,164	11,731,481	3,316,475	512,803	0	0	0	0
Capital programme	100,957,789	133,110,786	185,030,524	179,800,082	213,025,121	184,951,329	168,600,464	117,758,429	112,437,560	91,391,590	56,859,580	46,346,920	46,510,151	46,470,360	32,195,382
Scheduled Debt Repayment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<i>Financed by...</i>															
Major Repairs Reserve	-31,034,664	-9,304,000	-9,304,000	-9,479,600	-9,658,712	-9,841,406	-10,038,234	-5,123,254	7,996,124	-10,652,655	-10,865,708	-11,083,022	-11,304,682	-11,530,776	-11,761,391
RTB receipts (Allowable Debt)	-1,459,779	-1,065,039	-1,072,644	-1,080,265	-1,073,930	-1,067,468	-1,060,876	-1,054,153	-1,047,295	-1,040,301	-1,033,166	-1,025,888	-1,018,465	-1,010,894	-1,003,171
1-4-1 receipts	-5,594,802	-4,116,130	-7,480,420	-8,354,837	-8,991,521	-4,901,958	-3,283,799	-1,670,035	-1,334,390	-249,645	0	0	0	0	0
Other receipts and grants	-49,614,194	-4,663,738	-30,930,675	-29,238,970	-53,594,257	-100,344,741	-127,583,222	-109,910,987	-118,051,998	-40,523,396	-28,825,843	-18,281,272	-15,457,409	-15,523,067	-13,393,913
Revenue contributions	-1,917,000	-12,117,761	-7,291,692	-6,169,644	-12,725,427	-9,288,591	-7,996,659	0	0	-24,405,723	-15,972,253	-15,956,738	-18,717,427	-18,405,624	-6,036,906
HRA borrowing	-11,337,350	-101,844,118	-128,951,093	-125,476,765	-126,981,274	-59,507,165	-18,637,674	0	0	-14,519,872	-162,611	0	-12,167	0	0
Capital financing	-100,957,789	-133,110,786	-185,030,524	-179,800,082	-213,025,121	-184,951,329	-168,600,464	-117,758,429	-112,437,560	-91,391,590	-56,859,580	-46,346,920	-46,510,151	-46,470,360	-32,195,382
Net balance on capital programme	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Major Repairs Reserve b/fwd	21,730,664	0	0	0	0	0	0	0	0	0	0	0	0	0	0
HRA depreciation (net)	9,304,000	9,304,000	9,304,000	9,479,600	9,658,712	9,841,406	10,038,234	10,238,999	10,443,779	10,652,655	10,865,708	11,083,022	11,304,682	11,530,776	11,761,391
Financing for capital programme	-31,034,664	-9,304,000	-9,304,000	-9,479,600	-9,658,712	-9,841,406	-10,038,234	-5,123,254	7,996,124	-10,652,655	-10,865,708	-11,083,022	-11,304,682	-11,530,776	-11,761,391
Debt Repayment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt Repayment (Max)	0	0	0	0	0	0	0	-5,115,745	-18,439,903	0	0	0	0	0	0
Major Repairs Reserve c/fwd	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Year	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
Financial Year	2035.36	2036.37	2037.38	2038.39	2039.40	2040.41	2041.42	2042.43	2043.44	2044.45	2045.46	2046.47	2047.48	2048.49	2049.50
HRA CAPITAL PROGRAMME															
Stock capital Investment	24,334,253	24,939,077	25,571,122	26,045,040	26,382,445	29,974,698	30,355,900	30,870,748	31,394,046	31,925,929	23,091,832	23,494,760	23,904,569	24,321,372	24,745,285
Other improvements	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Development/Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Demolition & Forward Funding	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Regeneration	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Capital programme	24,334,253	24,939,077	25,571,122	26,045,040	26,382,445	29,974,698	30,355,900	30,870,748	31,394,046	31,925,929	23,091,832	23,494,760	23,904,569	24,321,372	24,745,285
Scheduled Debt Repayment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<i>Financed by...</i>															
Major Repairs Reserve	12,267,060	2,716,846	13,589,920	-12,730,908	-12,985,527	-13,245,237	-13,510,142	-13,780,345	-14,055,952	-14,337,071	-14,287,375	-14,891,250	-15,214,614	-15,518,906	-15,829,284
RTB receipts (Allowable Debt)	-995,294	-987,259	-979,064	-970,704	-962,177	-953,480	-944,609	-935,561	-926,331	-916,917	-907,314	-897,520	-887,530	-877,340	-866,946
1-4-1 receipts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other receipts and grants	-35,606,018	-26,668,663	-38,181,978	-8,595,752	-8,218,666	-8,192,214	-8,165,972	-8,139,940	-8,114,117	-8,088,500	-7,897,143	-7,705,990	-7,515,042	-7,324,296	-7,025,716
Revenue contributions	0	0	0	-3,747,675	-4,216,074	-7,583,767	-7,735,177	-8,014,902	-8,184,639	-8,583,441	0	0	-287,383	-600,829	-1,023,339
HRA borrowing	0	0	0	0	0	0	0	0	-113,009	0	0	0	0	0	0
Capital financing	-24,334,253	-24,939,077	-25,571,122	-26,045,040	-26,382,445	-29,974,698	-30,355,900	-30,870,748	-31,394,046	-31,925,929	-23,091,832	-23,494,760	-23,904,569	-24,321,372	-24,745,285
Net balance on capital programme	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Major Repairs Reserve b/fwd	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
HRA depreciation (net)	11,996,619	12,236,552	12,481,283	12,730,908	12,985,527	13,245,237	13,510,142	13,780,345	14,055,952	14,337,071	14,623,812	14,916,288	15,214,614	15,518,906	15,829,284
Financing for capital programme	12,267,060	2,716,846	13,589,920	-12,730,908	-12,985,527	-13,245,237	-13,510,142	-13,780,345	-14,055,952	-14,337,071	-14,287,375	-14,891,250	-15,214,614	-15,518,906	-15,829,284
Debt Repayment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt Repayment (Max)	-24,263,679	-14,953,397	-26,071,202	0	0	0	0	0	0	0	-336,437	-25,039	0	0	0
Major Repairs Reserve c/fwd	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

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CABINET

16th December, 2020

Subject Heading:

Bridge Close Regeneration - Funding Arrangements

Cabinet Member:

Councillor Damian White

SLT Lead:

Neil Stubbings
Director of Regeneration

Report Author and contact details:

Nick Gyring-Nielsen
Senior Regeneration Manager
nick.gyring-nielsen@havering.gov.uk

Policy context:

The Council has entered into a joint venture, Bridge Close Regeneration LLP ("BCR LLP"), to deliver the regeneration of Bridge Close, Romford pursuant to the Council's ambitions for regeneration as set out in the Local Plan, the Romford Area Action Plan (2008), the Romford Town Centre Development Framework (2015) and the emerging Romford Masterplan and new Local Plan (awaiting adoption). Decisions relating to the establishment and funding of BCR LLP are as follows:

Bridge Close Regeneration LLP Business Plan 2019/2020 (Cabinet, 13 February 2019)
Bridge Close, Finalisation of Legal Agreements to enter into a Limited Liability Partnership – Executive Decision March 2018
Bridge Close – Entering into a Limited Liability Partnership (Cabinet, 15 November 2017)

Financial summary:

The Council has made provision in the financial year 2020/2021 to provide funding for the Council's share of equity to meet financial commitments arising from the operation of Bridge Close LLP (BCR LLP) in accordance with the project documents and Business Plan 19/20 approved by Cabinet in February 2019.

This report outlines a revised approach to funding Bridge Close, following the consideration of options set out in the exempt part of the 16th September Cabinet agenda.

Is this a Key Decision?

This is a key decision because the expenditure exceeds £500,000.

When should this matter be reviewed?

November 2021

Reviewing OSC:

Overview & Scrutiny Board
Town & Communities OSC

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

Communities making Havering
Places making Havering
Opportunities making Havering
Connections making Havering

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SUMMARY

- 1.0 On 16th September 2020, Cabinet considered and approved a report concerning the regeneration of Bridge Close. Amongst other things Cabinet Agreed that authority be given for the Director of Regeneration, acting in consultation with the Director of Housing, the Monitoring Officer and the Section 151 Officer, to complete the review of options for the long term-funding and delivery of the regeneration of Bridge Close, and to produce a further report for Cabinet consideration. The Minute setting out the approved recommendations relating to the September consideration of a report on Bridge Close is provided at Appendix A (attached).
- 1.1 The Council has entered into a joint venture, Bridge Close Regeneration LLP ('the Joint Venture or JV') with a private sector partner, FB BCR LLP ('Private Sector Partner' or 'PSP'), to bring forward the proposed regeneration of Bridge Close. This was approved by Cabinet on the 15th November 2017. In February 2018, the Council approved the capital budget and on 4th April 2018, the legal agreements were agreed for the establishment and operation of the Joint Venture with the Private Sector Partner. The Private Sector Partner, FB BCR LLP, is itself a joint venture between First Base Limited and Savills Investment Management Limited.
- 1.2 The Council's over-arching vision for setting up the Joint Venture was to facilitate the regeneration of a strategic area of Romford as part of a wider initiative to invest in the renewal of key town centres and estates in order to deliver truly affordable homes for local people and to benefit from the generation of social value, including jobs, apprenticeships and increased local spend. A further objective for setting up the Joint Venture was to facilitate the delivery of high-quality public realm, design and wider place-making, with the scale and quantum of development to serve as a beacon for wider development and regeneration activity within the town centre.
- 1.3 Recognising the strategic importance of the regeneration of Bridge Close within the Romford context, the Joint Venture was set up to transform an underutilised brownfield site (see Plan at Appendix B) into a vibrant new community, working in partnership with the Private Sector Partner to assemble the land, via private treaty negotiations wherever possible but using the Council's Compulsory Purchase Order ('CPO') powers if necessary and appropriate, and to develop a masterplan and design proposals for the following:
- 1,070 new homes (incl. a minimum of 30% affordable homes)
 - A 3-form entry primary school
 - Cultural space
 - A local health facility
 - Commercial floor space
 - Improved east-west links, including a new pedestrian and cycle bridge
 - Environmental improvements to the River Rom.
- 1.4 In February, 2019 Cabinet approved the revised Bridge Close Regeneration LLP Business Plan 2019-2020 ('the Business Plan'), noting the significant regeneration opportunity for Romford town centre, the contribution towards Havering's target for housing delivery, and the expected financial returns anticipated in the plan. At that time, the Joint Venture profit on cost was forecast at 8.5% across all phases, down from the 10.9% expected in 2018 on establishment which was due to a slowing of the

housing market and increased forecast costs associated with design changes. Anticipating a profit on cost for phase one to accord with third party debt provider requirements on the back of improving housing market conditions over time, the Joint Venture partners agreed to continue investing in the regeneration of Bridge Close, progressing design proposals and the planning application whilst monitoring market conditions.

- 1.5 In light of continued stagnation in the housing market and increased costs, a number of strategies were proposed by the Development Manager, which were unable to overcome the challenges to viability or, without further intervention, to generate the returns necessary to meet the hurdle rates of the PSP as investor and the potential requirements of third party funders. Given this, the Private Sector Partner, led by Savills Investment Management, advised that it was unwilling to raise further funds beyond the present funding commitment set out in the approved Business Plan until viability was resolved. This created some issues in advancing the regeneration scheme in the way that Cabinet had previously agreed.
- 1.6 In view of the practical difficulties of implementing the JV Business Plan, and being mindful of the Council's commitment to bringing about a comprehensive redevelopment of Bridge Close, the Council has been considering potential ways of moving forward. As part of this assessment, the Council examined the terms under which the interests held by the PSP could be acquired by the Council. These discussions resulted in 'in-principle' terms being agreed with the PSP. The proposed acquisition was subsequently approved by Cabinet on 16th September 2020, enabling the Council to obtain control of the JV and to benefit from the continuation of existing land assembly arrangements, existing contracts with the professional team, intellectual property rights and land interests. Further to undertaking comprehensive due diligence, the buy-out of the PSP was completed on 29th October 2020.
- 1.7 September 2020 Cabinet also approved the discontinuation of the existing Development Management Agreement (DMA) with First Base Limited. These services were being provided under a contract with BCR LLP. The discontinuation of the DMA has been achieved through a legally binding contract effective simultaneously with the completion of the acquisition of the PSP interest.
- 1.8 As previously reported, it has not been possible to progress the previous scheme with the Council's private sector partners, due to issues around commercial profit requirements/viability. The Council's objective, however, is first and foremost to regenerate Bridge Close and to safeguard the strategic regeneration benefits that accrue from the development, including the provision of housing for local people and helping to increase growth, employment, expenditure and wider opportunities throughout the local economy by serving as a catalyst for further regeneration and investment in Romford town centre. The departure of the PSP therefore allows previous assumptions about how the regeneration scheme might best be funded and delivered to be reconsidered. Given that the Council's principal objectives are to secure the delivery of affordable housing and the overall regeneration of the site, a number of options have been considered to see which may be the most appropriate to select as a way forward. These options included; development through the Joint Venture with investment from the General Fund and the HRA, respectively, direct delivery of all phases of the scheme by the Council and a combination of delivery by both the Council and Joint Venture.
- 1.9 Following this review of options, it is recommended that the Council delivers the regeneration of Bridge Close directly (Option 3 – Council funds and builds all three phases itself), funding the development entirely through Council resources,

predominantly using the Housing Revenue Account. This version of the scheme differs from the previous version and includes an increase in that the percentage of affordable housing from 30% to 50%. This is set out in more detail in the exempt part of the report.

- 1.10 This report considers the options and recommends to Cabinet the preferred way forward with the Bridge Close Regeneration funding and delivery method.

RECOMMENDATIONS

That Cabinet:

1. Approves the continued use of the existing budget related to the 2019-20 BCR LLP Business Plan to fund 100% of project expenditure, given that the Council has full control of BCR LLP and is responsible for all investment in the regeneration scheme, on a temporary basis, until, if approved, Recommendations 2-4 can be fully implemented ;
2. Approves the adoption and utilisation of Option 3 - the Council to fund and deliver all phases of the regeneration of Bridge Close, funded via the appropriate use of the Housing Revenue Account, as set out in the exempt part of this report;
3. Subject to the approval of the HRA Business Plan and Capital Programme, approves the provision of a budget to enable Option 3 to be funded as required and detailed within the exempt Financial Implications and Risks section (see paragraphs 11.22 to 11.36); this budget to be included within the proposed HRA Capital Programme that will be considered by Cabinet in the Housing Revenue Account Business Plan update and that this be recommended to Council for final approval.
4. Subject to the approval of Recommendation 3, approves the transfer of the existing investment in BCR LLP and the associated debt from the General Fund to the Housing Revenue Account when appropriate, as set out in paragraph 11.32 in the exempt part of this report, noting that consequent changes will be made to the General Fund Medium Term Financial Strategy to reflect the adoption of Option 3 in Recommendation 2 above, at the appropriate time;
5. Subject to the approval of Recommendations 1-4 above, authorises the Director of Regeneration to update the Bridge Close Regeneration LLP Business Plan to reflect the proposed changes to the funding and delivery arrangements, noting that the Business Plan will be subject to Cabinet review within the next six months;
6. Notes the approval by the GLA's Housing Zone Steering Group for the early release of grant funding, subject to the negotiation of a new Borough Intervention Agreement;
7. Authorises the Director of Regeneration, acting in consultation with the Monitoring Officer and the Section 151 Officer, to negotiate and agree terms with the Greater London Authority for a new Borough Intervention Agreement to enable the early release of grant funding for the regeneration of Bridge Close;
8. Authorises the Director of Regeneration to secure the reappointment and appointment of the necessary supporting professional team by the Council or

through BCR LLP, as appropriate, and that the contract rules and contract standing orders be waived to the extent necessary to facilitate this;

9. Authorises the Director of Regeneration to complete and arrange for the submission of an appropriate planning application via Bridge Close Regeneration LLP to provide for the regeneration of Bridge Close, when appropriate;
10. Authorises the Director of Regeneration to (1) undertake soft market testing to establish main contractor interest in the project and (2) to prepare a full tender pack to facilitate any subsequent procurement exercise when appropriate, noting that any future contract award will be subject to formal approval;
11. Authorises the Director of Regeneration, acting in consultation with the Monitoring Officer and Section 151 Officer, having regard to Section 12(1) of the Housing Act 1985, to seek Secretary of State's consent to provide and maintain such non-housing buildings and land that will serve a beneficial purpose in connection with the proposed new housing accommodation, when appropriate;
12. Authorises the Director of Regeneration, acting in consultation with the Monitoring Officer and Section 151 Officer, to negotiate, finalise and enter into all necessary legal agreements, to bring into effect the proposed arrangements set out in Recommendations 1-11 inclusive.

REPORT DETAIL

- 2.0 The Council has examined a number of potentially viable options for the funding and delivery of the regeneration of Bridge Close that would secure the benefits referred to in the above summary, especially in paragraphs 1.3 and 1.8.
- 2.1 Further details of the funding and delivery options that have been considered are provided in the exempt part of the report due to the commercial nature and sensitivity of the information.

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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London Borough of Havering
Record of Decision at the meeting of **Cabinet**
On Wednesday 16 September, 2020

Announcements

Apologies for absence

Disclosures of Interest

Protocol on the Operation of Cabinet Meetings During The Covid-19 Pandemic Restrictions

Minutes

1. **TITLE: Corporate Parenting Strategy**

2. **DECISION MADE BY:** Cabinet

3. **DECISION:**

Cabinet:

1. **APPROVED** the Havering Corporate Parenting Strategy 2020-2023;
2. **AGREED** for the Havering Corporate Parenting Panel to oversee implementation of the strategy; and
3. **NOTED** that an annual update should be provided to the Children and Learning Overview and Scrutiny Sub-Committee.

4. **REASON FOR DECISION**

1. Corporate parenting refers to the shared responsibility across the Council to ensure that children and young people in our care or leaving care are supported to thrive. Young people in care and care leavers are vulnerable individuals who often have difficult and traumatic experiences in some of the most formative years of their lives.
2. The Children and Social Work Act 2017 guides the actions of corporate parents towards children in care and care leavers. These are covered in detail in Havering's Corporate Parenting Strategy.

5. **ALTERNATIVE OPTIONS CONSIDERED**

It is good practice to state our ambition across the Council in relation to children in our care. Havering has the option of not producing a Corporate Parenting Strategy. This option has been discounted on the basis that it does not meet good practice standards. In addition, the local authority would not be in a position to articulate its strategy in relation to children in our care, to regulators such as Ofsted when necessary.

6. **DOCUMENT CONSIDERED:** CABINET0415-1 Corporate Parenting Strategy
Report 2
Cabinet Corporate Parenting EQIA Appendix 1
Corporate Parenting Strategy Draft

1. **TITLE: Homeless Prevention and Rough Sleeper Strategy 2020-2025**

2. **DECISION MADE BY:** Cabinet

3. **DECISION:**

Cabinet:

AGREED the Prevention of Homelessness and Rough Sleeping Strategy 2020-2025.

4. **REASON FOR DECISION**

As a local housing authority, Havering Council has a statutory duty to publish a Homelessness strategy.

With the introduction of the Homelessness Reduction Act (HRA) 2017, the Council is now required to have a separate, stand-alone strategy dedicated to tackling homelessness and rough sleeping. The HRA 2017 presents the biggest change to homelessness legislation in 40 years including new duties to prevent and relieve homelessness.

Havering Council's Prevention of Homelessness & Rough Sleeping Strategy 2020-2025 aims to ensure the provision of support to people who were previously not entitled to help. It also seeks to help prevent people from becoming homeless in the first place by intervening earlier and encouraging other public sector bodies to actively assist in identifying and referring those who are at risk of becoming homeless.

5. **ALTERNATIVE OPTIONS CONSIDERED**

Other options considered:

To not develop a standalone Prevention of Homelessness & Rough Sleeping Strategy

This was not a feasible option. We have a statutory duty to deliver a standalone Homelessness strategy.

6. **DOCUMENT CONSIDERED:** CABINET Prevention of Homelessness Rough
Sleeping Strategy - final
Prevention of Homelessness & Rough Sleeping
Strategy 2020 - 2025
Prevention of Homelessness Rough Sleeping
Strategy 2020 - 2025 - EHIA (003)

1. **TITLE: Disposal of land at Hall Lane Pitch & Putt Course, Upminster following its Appropriation for Planning Purposes.**

2. **DECISION MADE BY:** Cabinet

3. **DECISION:**

That, having considered the responses received as a result of the public notices, and pursuant to the Cabinet decision of 13 March 2019, **Cabinet approval is given to proceed with:**

(a) The appropriation for planning purposes of the land at Hall Lane Pitch and Putt, Upminster.

(b) The disposal of the land at Hall Lane Pitch and Putt, pursuant to section 233 of the Town and Country Planning Act 1990. A Plan of the site is attached as Appendix 1 of the report.

That the Head of Property Services - in consultation with the Cabinet Member for Finance and Property - will as a result of this decision deal with all matters arising including the appropriation for planning purposes and thereafter the completion of the disposal of the land.

4. **REASON FOR DECISION**

This decision is required as a result of the statutory process involved in dealing with the proposed disposal of and appropriation of the subject land for planning purposes

5. **ALTERNATIVE OPTIONS CONSIDERED**

Having placed the notices, it is necessary for the Council to formally consider the responses received. As this report only concerns the consideration of these responses, no other options are available.

6. **DOCUMENT CONSIDERED:** Hall Lane Pitch and Putt Upminster Cabinet Report
16th Sept 2020 Final V (003)
Appendix 1. Site Plan. Hall Lane Mini Golf Course
Appendix 2. Appropriation Disposal Notices-
Romford Recorder 05.07.2019 (003)
Appendix 3. Representations Objections. Hall Lane
Pitch Putt (003)
Hall Lane Pitch Putt Course EqHIA (002)

1. **TITLE:** Exclusion of the Press and Public

2. **DECISION MADE BY:** Cabinet

3. **DECISION:**

Cabinet excluded members of the press and public to enable full and frank discussion in relation to exempt matters.

4. **REASON FOR DECISION**

5. **ALTERNATIVE OPTIONS CONSIDERED**

6. **DOCUMENT CONSIDERED:**

1. **TITLE: Public Realm Transformation - Procurement Update and Amended Strategy**

2. **DECISION MADE BY:** Cabinet

3. **DECISION:**

For the reasons stated in the report and its appendices, **Cabinet:**

AGREED to:

1. Stop the integrated public realm services procurement;
2. Extend the current waste and recycling contract with Serco for a period of two years commencing 1 August 2021; and
3. Extend the tree maintenance contract with City Suburban for a period of six months commencing 1 April 2021.

4. **REASON FOR DECISION**

Reasons for the decision: There are a range of statutory requirements the Council delivers in respect of public realm services to its residents and local businesses. Plans were in place to ensure the smooth transition of public realm services from several in-house and outsourced service providers to one single provider. With the development of the Covid-19 pandemic, procurement plans faltered and the Council has had to rely on its contingency plans to build a revised strategy that will ensure that the Council can continue to deliver its statutory responsibilities and meet Members, residents and local business expectations.

5. **ALTERNATIVE OPTIONS CONSIDERED**

Several options were consider which are detailed in the report in some detail.

6. **DOCUMENT CONSIDERED:** Cabinet PRT 16 Sept 2020 V2
Cabinet 16 Sept 2020 (Exempt) Appendix 1
Cabinet 16 Sept 2020 Exempt Appendix 2
Cabinet 16 Sept Appendix 3 EqHIA Sept 2020 v2
Cabinet 16 Sept 2020 (Exempt) Appendix 4

1. **TITLE: Purchase of Affordable Housing Units at St. Georges Hospital Site**

2. **DECISION MADE BY:** Cabinet

3. **DECISION:**

Cabinet AGREED:

1. That the Council acquires the land and properties under a sale agreement (land) and separate building contract for 36 affordable housing units (14 affordable rent and 22 Low cost home ownership) at St Georges Hospital, Suttons Lane, Hornchurch on the basis of the heads of terms provided in Exempt Appendix A of the report.
2. That the Council Housing Revenue Account (HRA), supported by GLA grants, funds the purchase of the homes based on the financial viability of the scheme as shown in Exempt Appendix B, be approved
3. That the additional expenditure for the procurement of relevant specialist external services including legal advisors and Employers Agents as set out at Exempt Appendix B is approved
4. That the Director of Housing acting in consultation with the Section 151 Officer, be authorised to enter into all necessary legal agreements, incorporating any associated minor adjustments to the heads of terms set out at Exempt Appendix A, to bring into effect the proposed arrangements in Recommendations 1 and 2 as soon as is practicable.

4. REASON FOR DECISION

The scheme represents an opportunity to provide additional affordable housing for residents in the borough in line with the Havering plan.

The housing register shows clear demand for properties of this size and the scheme works to provide a positive financial return and works within the HRA business plan.

This phase of the development is now ready to proceed with planning having been secured start on site forecast for October 2020

5. ALTERNATIVE OPTIONS CONSIDERED

The only other option considered was to not proceed with this scheme, however, given that the scheme is financially viable, it works as part of the overall HRA business plan, attracts GLA funding and meets current housing need this option was rejected.

Best value is demonstrated through the financial appraisal which is there to ensure the scheme meets our financial parameters, this is coupled with the assessment that this is affordable within the HRA and the demonstration of demand which show this to be an appropriate proposition.

6. **DOCUMENT CONSIDERED:** ST Georges KD Cabinet part exempt with imps final
St Georges ED - Appendix A
St Georges ED - Appendix B

1. **TITLE: Bridge Close Regeneration Delivery Arrangements**

2. **DECISION MADE BY:** Cabinet

3. **DECISION:**

Cabinet AGREED:

1. Approval be given for the Council to acquire FB BCR LLP's interests in BCR LLP, as set out in this report and summarised in the proposed terms at exempt Appendix E;
2. Approval be given for the termination by BCR LLP of the Development Management Agreement between BCR LLP and First Base Limited, as set out in this report and summarised in the proposed terms at exempt Appendix F;
3. Authority be given for the Director of Regeneration, acting in consultation with the Section 151 Officer and Monitoring Officer, to establish a new Nominee Company prior to the completion of the acquisition referred to in recommendation 1, in order to support the continuation of BCR LLP (such Nominee Company to be the second member in BCR LLP after the exit of FB BCR LLP);
4. Approval be given for the Council to provide funding to enable the completion of the purchase of a commercial property on Bridge Close, Romford, as set out in this report, subject to the Council being provided with an A- or C-Loan Note in its favour, as appropriate and as provided for in the exempt agenda report;
5. Authority be given for the Director of Regeneration, acting in consultation with the Monitoring Officer and Section 151 Officer, to finalise and enter into all necessary legal agreements, to bring into effect the proposed arrangements in Recommendations 1-4 inclusive.
6. Authority be given for the Director of Regeneration, acting in consultation with the Director of Housing, the Monitoring Officer and the Section 151 Officer, to complete the review of the options for the long-term funding and delivery of the regeneration of Bridge Close, and to produce a further report for Cabinet consideration.

4. **REASON FOR DECISION**

As set out in the exempt report.

5. **ALTERNATIVE OPTIONS CONSIDERED**

As set out in the exempt report.

6. **DOCUMENT CONSIDERED:**
- Bridge Close Regeneration Delivery Arrangements Cabinet Report PUBLIC AGENDA DRAFT CLEAN - 16 Sep 20
 - Appendix A Bridge Close Site Plan (Public)
 - Appendix A Current Business Plan Financial Dashboard (Exempt)
 - Appendix B KPMG Financial Advice (Exempt)
 - Appendix C Legal Advice Note Browne Jacobson (Exempt)
 - Appendix D Legal Advice Note Bevan Brittan

(Exempt)

Appendix E Legal Summary of Draft Purchase Agreement (PSP Interest) (Exempt)

Appendix F Legal Summary of Draft Settlement Agreement (Development Manager) (Exempt)

Appendix G Sale Agreement and Deed of Variation (13A Bridge Close) (Exempt)

Appendix H Bridge Close Bridge Close Site Plan (Exempt)

Bridge Close Regeneration Delivery Arrangements

Cabinet Report Final EXEMPT AGENDA - 16 Sep 20

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