

TOWNS AND COMMUNITIES OVERVIEW & SCRUTINY SUB-COMMITTEE 20 JUNE 2017

Subject Heading:	Review of the revised Housing Allocations Scheme and introduction of new Homeless Placements Policy, following Cabinet decision on 15 June 2016.
Cabinet Member	Councillor Damian White
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Policy context:	Housing Strategy

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

Havering will be clean and its environment will be cared for	[]
People will be safe, in their homes and in the community	[X]
Residents will be proud to live in Havering	[X]

SUMMARY

Following Cabinet approval in June 2016, Housing Services implemented a revised Housing Allocations Scheme and new Homelessness Placements Policy setting out how households in the borough are prioritised for accommodation. This report provides an update on the implementation of both policies.

Housing Allocation Scheme

There is a statutory requirement for local authorities to publish an Allocations Scheme that sets out in detail how households are prioritised for social housing. The Localism Act 2011 provides local authorities with discretion in constructing the scheme. The revised Allocations Scheme covers the eligibility and qualification for, and letting of, social housing in the borough. The policy objectives of the revised scheme have been met.

Homeless Placements Policy

This policy set out the Council's approach for responding to homelessness in the borough in relation to the procurement and placements of residents into temporary and settled accommodation. It clarified how and the circumstance the Council takes into account when it discharges its homelessness duty to households applying for assistance under Part VII of the Housing Act 1996. The policy similarly achieved its objectives.

RECOMMENDATIONS

That Members of the Towns and Communities Overview and Scrutiny Sub-Committee note:

- The policy objectives of both the Housing Allocations Scheme and Homeless Placements Policy have been achieved as set out within this report.

REPORT DETAIL

1. Background to the Housing Allocations Scheme

1.1 The Council's Housing Allocations Scheme is used to determine which households are offered housing assistance in Havering and to explain how vacant social housing properties are let. It therefore provides a fair and transparent framework for determining priority between those in housing need.

1.2 Havering is an area with very high demand for social and affordable housing and therefore demand outstrips supply. Over recent years, these pressures have increased significantly due to changing market conditions and as a result, the Council has seen rising numbers of applicants on the housing register.

1.3 The key objectives of the revised Housing Allocations Scheme are to:

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

1.4 The new scheme introduced changes in 10 key policy areas. The impact of each area is detailed below to show whether the desired objectives have been achieved.

2. Policy Objective – Make the best use of Havering’s social housing including those of our partner Registered Social Landlord.

2.1 Policy Change 1 and 2 – Qualifying Criteria: Extending the residency period to a continuous period of residency from 5 to 6 years

2.2 Under the previous scheme an applicant had to have lived in Havering for at least 5 years or for a continuous period of 2 years prior to submitting an application to join the housing register. The aim of the change was to simplify the residency period criteria to make it clearer for residents to understand and more efficient for frontline officers to assess. In addition it sought to restrict the limited supply of social housing for local people who have lived and contributed to the community in Havering for a reasonable period.

2.3 Since the implementation period July to March 2017, 198 (10%) applicants were declined from joining the housing register because they did not meet the 6 year continuous residency criteria. This was one of more controversial policy change; however it has shown to have had a low adverse impact, with relatively low numbers of new applications rejected.

2.4 Policy Change 3 – Qualifying Criteria: Financial circumstances - income threshold increased from £27,500 to £36,000

2.5 Under the previous scheme, an applicant could not join the housing register if they had a household income in excess of £27,500. The change increased the income level to £36,000. This was based on the fact that rents on private sector properties had increased and become unaffordable for household with less than £36,000.

2.6 Evidence shows residents are benefitting from this change because the number of applications rejected due to income has reduced. Before the policy change on average 26 applicants each month were rejected due to their financial circumstances being too high over the threshold. Not only did the previous policy make it difficult for a certain cohort of households to find affordable private rented sector homes but they were at increased risk of homelessness. Following the policy change, for the period July to March 2017, only 58 applicants (average of 6 a month) are rejected due to having household income higher than the threshold. Support is also being offered to rejected applicants to find homes in the private rented sector at levels they can afford.

2.7 Policy Change 4 – Qualifying Criteria: Unacceptable behaviour

2.8 The purpose of change was to influence behaviour by excluding applicants guilty of unacceptable behaviour from joining the housing register altogether as such behaviour would prevent the applicant from being considered a suitable tenant. Examples of unacceptable behaviour include anti-social behaviour; obtaining a tenancy by deception; sub-letting social housing; unspent housing or welfare benefit convictions; providing false or misleading information and threat or actual violence against neighbours, council staff, members and Council contractors.

2.9 From the date of policy implementation in July 2016 to March 2017, no applicant has been rejected from joining the housing register as a result of unacceptable behaviour. It

is therefore unknown whether the policy has had its desired effect. However, it should be noted that this change is likely to act as a deterrent for any applicant with a history of unacceptable behaviour from submitting an application.

3. Policy Objective - Help those most in housing need.

3.1 Policy Change 5 – Restricting the housing register to those applicants who can demonstrate a housing need

3.2 Under the previous scheme, council tenants who were adequately housed could join the housing register and be moved into alternative accommodation regardless of whether they had a housing need or not. The purpose of this change was to ensure only people who have a demonstrated housing need could access the limited supply of social housing. Examples of housing need include;

- People who need to move on welfare or medical grounds where their situation is being made worse by current housing
- People living in unsanitary, unsatisfactory or overcrowded housing and
- People who would face hardship unless moved to another area

3.3 Following the policy implementation, 353 tenants removed from the housing register after the transitional period as they were living in a suitable home. In addition, since the implementation period July to March 2017, 1510 applicants (75% of those rejected) were declined from joining the housing register as they were suitably housed. Every household on the housing register now has a housing need for alternative accommodation.

3.4 Policy Change 6 – Reduced Housing Priority

3.5 To ensure the Council meets its obligations under the homelessness legislation and the Housing Act, a reduced priority band (RP) was introduced for accepted homeless households who do not meet the 6 year residency period. This is because residency criteria under the Homelessness Legislation and Housing Act are different with the former only requiring 6 out of the last 12 months connection or family association.

3.6 Following the policy implementation, around 46% of residents in temporary accommodation who are on the housing register are now awarded the 'Reduced Priority' band. Most of the applicants are in private sector leased accommodation that meets their need. Over the period July 2016 to March 2017 only one allocation was made to a household on the RP band.

4. Policy Objective - Provide a fair and transparent system by which people are prioritised for social housing.

4.1 Policy Change 8 – Priority Banding System

4.2 The aim of this change was to simplify the priority banding system to five simple priority bands with clear criteria to make it easier to administer and explain to residents how allocations operated. Under the old system a number of qualifying conditions made it difficult for residents to understand that a fair assessment process was in

place. The change in priority reflected the severity of the impact of lack of housing on the household.

4.3 Therefore, households awarded the greatest priority are those in urgent housing need to move and those who were making a community contribution for example through working, ex-service personnel, fostering, carer etc.

4.4 Table A below outlines how the policy change has simplified the system and is reflective of need with Emergency Housing awarded to a small number of applicants with an urgent need to move.

Table A

Objective	Priority Band	Housing register – June 2017	Housing register – May 2017
Helping those in most urgent housing need	Emergency Rehousing (ER)	194 (8%)	56 (2%) 430 – regen decants (19%)
Rewarding residents with a long attachment to the borough	Community Contribution 1 (CC1) - workers	636 (24%)	228 (10%)
Rewarding residents with a long attachment to the borough	CC2 – carers, volunteer		179 (8%)
Helping those in housing need	Home seeker	1785 (68%)	1106 (48%)
Supporting residents to actively pursue suitable alternative housing options	Reduced Priority		291 (13%)
Total		2615	2290

4.5 Policy Change 10 – Choice based lettings and assisted bidding

4.6 Cabinet agreed to continue to operate a Choice Based Lettings system by advertising properties through the East London Lettings Company. However, under the previous scheme, all applicants in the 'Emergency Rehousing Band' were made a direct offer (assisted bids) which meant that although all properties are advertised, they were not available to other residents to bid on which caused frustration.

4.7 To improve system transparency and ensure equitable access, the change limited the circumstances of when assisted bids / direct offers can be made and it was agreed that any properties being directly offered would not be advertised. It was also agreed that the aim would be to retain access to 70% of properties through bidding. For the period July – March 2017, 77 out of the 408 (19%) lettings were made through direct offers.

4.8 However, since the policy change, the Council has embarked on a large regeneration programme in the borough affecting 12 council sites. Therefore, since January 2017 a Local Lettings Plan has been in place as additional guidance on how the available

supply of accommodation will be allocated to meet the need of housing register applicants and tenants who need to be decanted away from the affected estates.

4.9 Consequently, direct offers are being made to tenants on the regeneration programme and therefore form a greater proportion than the 30% previously intended. The impact of the regeneration scheme is being monitored.

4.10 Policy Change 7 – One Offer Only Policy

4.11 Under the previous scheme, there are different numbers of offers and penalties that could be made to households on the housing register depending on the household's 'priority band'. This was a complicated system for residents to understand and was a difficult system for officers to administer.

4.12 Over April 2015 to March 2016, there were 241 refusals (a total 655 properties we let during the year). This not only indicated the high level of inefficiency in lettings but also the loss of income during periods when the property remained vacant.

4.13 This change was meant to encourage applicants to make informed decisions before placing a bid for a property. Since the implementation of this change, refusals reduced to 45.

4.14 Policy Change 6 – Sheltered Housing Eligibility Criteria

4.15 Under the previous scheme there was no eligibility criterion for Sheltered Housing. This change was made to ensure that the lifestyle of those residing in sheltered accommodation was compatible with the scheme. Residents who meet the following criteria can be housed in sheltered accommodation:

- People aged 60 years and over or aged 55-59 requiring a high level of support due to frailty, ill health or restricted mobility
- In need of the housing support provided by the scheme
- Single or joint applicants

4.16 Since implementation of this change, 51 residents aged 55-80 has expressed a wish to move into sheltered accommodation; this represents 13% (402) of all older residents on the housing register.

5. Background to the Homeless Placements Policy

5.1 It is the Council's aim to ensure that it has sufficient and suitable accommodation in Havering to meet its statutory duty towards people who are homeless or are at risk of homelessness. However due to the limited availability of affordable accommodation and increasing demand, it is no longer reasonably practicable to offer accommodation within the borough to all homeless households and the Council intends to increase supply of accommodation by procuring properties wherever available both within and out of borough.

5.2 The objectives of the new policy was to:

- Set out an accommodation pathway for homeless households.
- Secure affordable private rented accommodation to meet demand both in and out of borough
- Use the Council's powers under the Localism Act 2011 to discharge its homelessness duty by arranging for a private landlord to make a suitable offer of private rented for a period of at least 12 months.
- Set out key tests to be used to ensure the Council makes suitable offers of accommodation which complied with the Homelessness Code of Guidance 2006, Homelessness (Suitability of Accommodation) Order 2012 and case laws including *Nzolameso v City of Westminster* 2015.

6. Policy Objective: Setting out an accommodation pathway; securing affordable private rented accommodation to meet demand both in and out of borough and using the Council's powers under the Localism Act 2011 to discharge its homelessness duty by arranging for a private landlord to make a suitable offer of private rented for a period of at least 12 months.

6.1 The Homeless Placements Pathway has been successfully implemented and provides a fair, transparent and clear pathway for applicants presenting as homeless in the borough. In all circumstances it is the Council's objective to first prevent homelessness from occurring and once all preventative methods have been exhausted, if eligible to receive assistance, an applicant is placed in temporary accommodation while enquiries into the application is conducted. Should the Council have a statutory duty to accommodate the household on a long-term basis, longer term temporary (PSL) accommodation or settled private rented sector accommodation is offered depending on available supply.

6.2 It has been the focus of the service to limit circumstances where expensive Bed and Breakfast accommodation is used as emergency accommodation for homeless households. However, due to the increased demand during 2016/17, around 234 households were placed in Bed & Breakfast accommodation.

6.3 Since the implementation of the policy, 40 homeless households have been housed in settled private rented accommodation in Harlow which also contributed to ending the use of unsuitable and expensive Bed & Breakfast accommodation.

7. Policy Objective – Setting out key tests to be which complied with the Homelessness Code of Guidance 2006, Homelessness (Suitability of Accommodation) Order 2012 and case laws including *Nzolameso v City of Westminster* 2015.

7.1 To meet this objective the service implemented a suitability assessment process to ensure any offer of accommodation made is suitable: These include:

- ensuring that a property meets the standards sets out the Suitability Regulations
- ensuring that the circumstances of the applicant have been considered in terms of the location of the property, and
- ensuring that the applicant is able to afford to live in the property taking into account their income once they have paid the rent.

- accommodation may be located outside of the borough if this is more affordable

6.1 Applicants also have a right to request a review if they do not agree with the placement. In terms of the settled private rented sector properties in Harlow, a total of 15 reviews were received, of which 13 were dismissed and 2 were upheld (for the 2 upheld, they were made alternative offers within Havering.

IMPLICATIONS AND RISKS

Financial implications and risks:

None

Legal implications and risks:

None

Human Resources implications and risks:

None

Equalities implications and risks:

None

BACKGROUND PAPERS

None