

## **Housing Allocation Scheme Review**

<b>Final Decision-Maker</b>	Communities, Housing and Environment Committee
<b>Lead Head of Service</b>	John Littlemore – Head of Housing and Community Services
<b>Lead Officer and Report Author</b>	Tony Stewart – Homechoice and Strategy Team Leader
<b>Classification</b>	Public
<b>Wards affected</b>	All

### **Executive Summary**

The Homelessness Strategy review identified an action to reconsider the Council's Allocation Scheme following the implementation of the Homelessness Reduction Act. This report proposes to amend the Allocation Scheme to support the Council's strategic objective of supporting early homelessness prevention, encouraging households to remain in their current accommodation and avoid the use of temporary accommodation whenever possible and revise other sections of the scheme so that it remains compliant with current legislation.

### **Purpose of Report**

This report is detailing proposed changes to the Council's Allocation Scheme. Significant policy changes to the Allocation Scheme must be approved by the relevant Committee.

Amendments to the scheme are being proposed to support homelessness prevention by giving additional preference to households threatened with homelessness and discouraging the use of temporary accommodation as a way of accessing social housing quicker.

### **This report makes the following recommendations to this Committee:**

1. That the Communities, Housing & Environment Committee agrees the proposed changes to the Council's Allocations Scheme

### **Timetable**

<b>Meeting</b>	<b>Date</b>
Corporate Leadership Team	3 September 2019
Members Briefing	7 October 2019
Communities, Housing and Environment Committee	12 November 2019

# Housing Allocation Scheme Review

## 1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
<b>Impact on Corporate Priorities</b>	The Housing Allocation Scheme assists in the delivery of the council's corporate priorities. We do not expect the recommendations will by themselves materially affect achievement of corporate priorities. However, they will support the Council's overall achievement of its aims as set out in section 4 (preferred alternative).	John Littlemore – Head of Housing and Community Services
<b>Cross Cutting Objectives</b>	The report recommendations support the achievements of both the 'Health Inequalities are addressed and reduced' and 'Deprivation and Social Mobility is improved' cross cutting objectives by ensuring that the Council has an Allocation Scheme that treats all applicants fairly and that access to social housing supports the needs of residents.	John Littlemore – Head of Housing and Community Services
<b>Risk Management</b>	The risks associated with this proposal have been set out in the body of the report	John Littlemore – Head of Housing and Community Services
<b>Financial</b>	The proposals set out in the recommendation acknowledge that there could be an increase to the cost of providing temporary accommodation in the short term but if successful the new approach is likely to create the scenario for additional savings to that envisaged by the MTFS.	Section 151 Officer & Finance Team
<b>Staffing</b>	We will deliver the recommendations with our current staffing.	John Littlemore – Head of Housing and Community Services

<b>Legal</b>	The amendments to the scheme ensure that it is consistent with current Government Guidance and complies with the Housing Act 1996.	Legal Team
<b>Privacy and Data Protection</b>	Accepting the recommendations will ensure that the Allocation Scheme is compliant with current regulations.	Policy and Information Team
<b>Equalities</b>	An Equalities Impact Assessment has been undertaken. A copy is attached at <b>Appendix C</b>	Policy & Information Manager
<b>Public Health</b>	The aim of the proposed changes is to reduce the need for temporary accommodation, which in turn will provide for better health and well-being for residents who find themselves threatened with homelessness.	Public Health Officer
<b>Crime and Disorder</b>	The recommendations will have a no impact on Crime and Disorder.	John Littlemore – Head of Housing and Community Services
<b>Procurement</b>	N/A	John Littlemore – Head of Housing and Community Services

## **2. INTRODUCTION AND BACKGROUND**

- 2.1 Nominations made by the Council to housing association vacancies are governed by Part 6 Housing Act 1996 (as amended). The Act requires that nominations may only come from the Council's Housing Register and the Act provides the framework that sets out who can join the Housing Register and how priority is determined between applicants. The Council's interpretation of the framework legislation must be set out in a document adopted by the Council and called an Allocation Scheme. The adopted Allocation Scheme must be published and available upon request.
- 2.2 The Council's Housing Allocation Scheme is designed to ensure that access to subsidised housing supports the needs of residents, the corporate aims of the Council and reflects current legislation.
- 2.3 The current Allocation Scheme was introduced in 2013. The policy is designed to make best use of the limited stock available and awards additional priority to applicants in work or who assist the local community in other ways, such as serving in the Armed Forces or undertaking voluntary work.
- 2.4 Minor amendments to the Allocation Scheme can be made with the agreement of the Director of Regeneration and Place in consultation with the Chair and Vice-Chair of the Communities, Housing & Environment Committee. Several minor amendments have been made since the policy was introduced in 2013. However, since the introduction of the Homelessness Reduction Act and the enhanced homelessness prevention service within the Housing and Inclusion Team, more significant changes to the scheme are now required, which require the Committee's approval.
- 2.5 The Homelessness Reduction Act 2017, which was introduced in April 2018, amended the current legislation to increase the period in which a person is deemed to be threatened with homelessness from 28 days to 56 days. This provides a longer period in which to work with households who are threatened with homelessness.
- 2.6 There are two causes of homelessness that are most prevalent. These are homelessness from the private rented sector and families no longer accommodating their relative/friends. If the landlord is determined to regain possession, it is difficult to prevent the homelessness from the private rented sector.
- 2.7 Greater scope exists to persuade households within family arrangements to enable the applicant to remain if they understand that there is a better opportunity for the household to be housed in a reasonable period. The proposed change to the Allocation Scheme will give the Housing Advice Officer the ability to negotiate a position with the family to keep hold of the applicant without the need for them to go into temporary accommodation.
- 2.8 The table below shows the number and percentage of homeless applicants where their accommodation at the time of applying was living with friends or family compared to those who are renting privately or through social housing.

### Homeless Applicants – April 2018 to August 2019

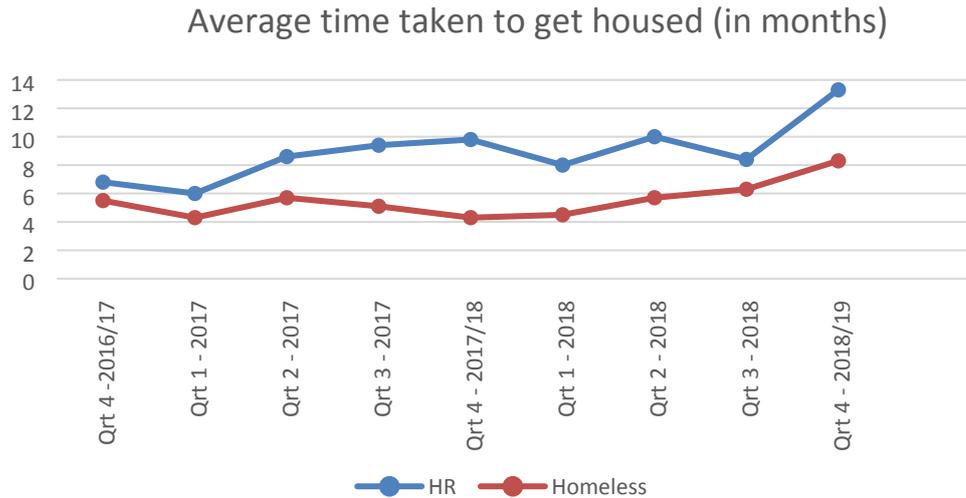
	Private / Social Rented	Living with friends or family
Not placed in temporary accommodation	422 (32%)	370 (28%)
Placed in temporary accommodation	101 (21%)	142 (30%)

This indicates that at the time of the application there was a slightly higher percentage of applicants living in private or social rented accommodation (32%) than with either friends or family (28%); but that a much higher percentage of those living with friends or family (30%) end up being provided with temporary accommodation than those who were living in private or social rented accommodation (21%).

- 2.9 Giving applicants who are threatened with homelessness additional opportunity to secure housing through the housing register would support Housing Officers prevention work, particularly when encouraging applicants to remain with friends and family, as this will give them a greater prospect of securing social housing than if they were to become homeless and placed in temporary accommodation.
- 2.10 The Allocation Scheme allows the Council to match an applicant with a suitable property, known as 'Direct Letting,' to end a households Main Housing Duty or Relief Duty, as reflected in the Homelessness Reduction Act.
- 2.11 To minimise the length of stay in temporary accommodation for the applicant and thereby the financial cost to the Council, Direct Letting is often used to allocate social housing to households who have been placed in temporary accommodation. During 2018-19, the number of homeless households housed increased. However, during the same period the number of households who were successfully housed from the Housing Register reduced significantly as less properties were advertised for applicants.

	Q1 18-19	Q2 18-19	Q3 18-19	Q4 18-19
Homeless - households housed	56	73	72	79
Housing register - households housed	117	79	53	49

- 2.12 This has resulted in households who the Housing and Inclusion Team are working with to prevent their homelessness, along with applicants who have another housing need other than homelessness, waiting for social housing for an increasing length of time.



2.13 Households who are becoming homeless and being placed in temporary accommodation are increasingly being housed quicker than applicants who are able to stay in their current accommodation and work with Housing Officers to prevent their homelessness occurring.

2.14 Anecdotal information suggests that applicants have become aware that by being placed in temporary accommodation they have a better chance of securing a new tenancy more quickly. This discourages households from staying in their current tenancy if possible and undermines the work of Housing Officers trying to prevent homelessness.

2.15 Households could be encouraged to avoid being placed in temporary accommodation by being incentivised to stay in their current housing. This might be achieved by giving applicants additional opportunity to secure permanent housing through the Housing Register. Paragraphs 3.1 to 3.12 sets out how this will be achieved.

2.16 There are also some further changes being proposed to other parts of the scheme to clarify and amend some points. These are intended to provide clarity for applicants and officers in applying the scheme based on feedback received from stakeholders and service users.

2.17 A table detailing the changes and the reasons for them is attached at **Appendix A**.

2.18 A copy of the amended Housing Allocation Scheme version 2.1 is attached at **Appendix B**.

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### 3. AVAILABLE OPTIONS

- 3.1 To encourage households to remain in their current accommodation and avoid the use of temporary accommodation whenever possible, it is proposed to give greater opportunity to those applicants who are owed a homelessness prevention duty under s.195(2) of the Housing Act 1996.
- 3.2 **Option A** – Households who are owed a prevention duty are placed in the current 'Band A – Community Contribution.' A greater number of properties per applicant will be advertised for applicants within this band.
- 3.3 Households to whom either a Relief Duty or a Main Housing Duty is owed will be placed in the current 'Band D – Homeless Applicants.' Fewer properties will be advertised for applicants within this band therefore discouraging the use of temporary accommodation to obtain social housing quicker.
- 3.4 The use of 'Direct Letting' will be reduced and only considered to end a housing duty when all other options have been exhausted. This will result in more vacant properties being advertised for applicants to place bids on.
- 3.5 The Housing Register bands will be renamed to greater reflect the qualifying criteria for being placed in them, as the current system of bands A-D has wrongly been interpreted as denoting priority:
- Band C – Community Contribution and Homeless Prevention
  - Band H – Homeless
  - Band M – Medical and Health Assistance
  - Band R – Reasonable Preference
- 3.6 In accordance with the Allocation Scheme, the number of properties allocated to each band is currently set at the beginning of each financial year. This will need to be amended to reflect the number of households that will be placed within each of the bands once the new criteria is applied.
- 3.7 The Housing Register, as of September 2019, consisted of 796 households who are placed in the following bands:

	% of households of total register	Current quota of properties advertised to band
Band A – Community Contribution	33%	35%
Band B – Health Assistance	7%	10%
Band C – Reasonable Preference	57%	45%
Band D - Homeless	3%	10%

- 3.8 By applying the new band criteria to the households registered in September 2019, the number placed within each band changes to the following:

	% of households of total register	Proposed quota of properties advertised to band
Band C – Community Contribution and Homeless Prevention	39%	50%
Band H - Homeless	16%	10%

Band M – Medical and Health Assistance	7%	10%
Band R – Reasonable Preference	38%	30%

3.9 By applying the new criteria, a number of households will be moved between bands:

- Applicants given greater priority – moved from old Band C (Reasonable preference) to new Band C (Community Contribution and Homeless Prevention) = 69 (8% of the total housing register)
- Applicants given lesser priority – moved from old Band A (Community Contribution) or old Band C (Reasonable Preference) to new band H (Homeless) = 102 (13% of the total housing register)

3.10 There are currently approximately 80 households placed in temporary accommodation. Unless they have a medical issue, which means they will remain in the 'Medical and Health Assistance' band, these applicants will be placed in the new Band H – Homeless. These are made up of the following household compositions:

- Single Persons – 34
- Family with 1 child – 18
- Family with 2+ children – 29
- Other households - 2

There are currently 24 households placed in temporary accommodation who were living with friends or family when applying as homeless.

3.11 It is proposed that the above recommendations are implemented for an initial trial period of 12 months in order to gain an understanding of the effect on the number of households that are placed in temporary accommodation and length of time they remain there.

3.12 Other amendments, as detailed in **Appendix A**, are proposed to the Allocation Scheme to provide clarification, to make other changes not associated with the above points and to ensure it remains compliant with current legislation.

3.13 **Option B** – Do not accept the proposed changes to the scheme as stated at points 3.2 to 3.11 inclusive but accept the other amendments specified at 3.12. This is not recommended as applicants who are on the housing register will continue to wait longer for social housing than those who are being accommodated in temporary accommodation.

3.14 **Option C** – Do not accept any of the proposed changes to the scheme. This is not recommended as applicants who are on the housing register will continue to wait longer for social housing than those who are being accommodated in temporary accommodation and the Allocation Scheme will not be up to date with the amendments required to ensure that it remains relevant and compliant with current legislation.

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#### **4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS**

- 4.1 It is recommended to accept the proposed amendments to the Housing Allocation Scheme as detailed under 'Option A' at points 3.2 to 3.12 above.
  - 4.2 Accepting the preferred recommendations will assist homeless prevention and will ensure that the scheme continues to remain relevant and up to date with current housing policy.
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#### **5. RISK**

- 5.1 The risks associated with this proposal, including the risks if the Council does not act as recommended, have been considered in line with the Council's Risk Management Framework. We are satisfied that the risks associated are within the Council's risk appetite and will be managed as per the Policy.
  - 5.2 The proposed change to adding prevention cases to the new Band C and reducing the number of direct lets to applicants in temporary accommodation may result in the length of stay in temporary accommodation increasing. This could result in additional costs to the Council because of the need for more nightly paid temporary accommodation.
  - 5.3 The benefit from this short-term increase would be a reduction in the need for temporary accommodation over the longer term. This will be dependent on applicants understanding that the quickest route to permanent housing is not through obtaining temporary accommodation but rather working with the Housing Service whilst remaining in their current accommodation.
  - 5.4 The inherent risk is that applicants do not alter their approach to seeking a resolution to their housing through the Housing Register bidding system, or that vacancies reduce making it difficult to achieve the greater opportunity to access housing through bidding, and (to a lesser degree) external partners do not promote the new approach to applicants.
  - 5.5 In order to mitigate against these risks, a series of engagement exercises will be undertaken with key partners (such as housing associations and the CAB) to ensure a full understanding of the new approach and the benefits for applicants.
  - 5.6 Regular monitoring of the key indices of success will be undertaken and added to the dashboard on homelessness activity provided to CLT on a monthly basis. This will include the number of lettings undertaken and effect on the use of temporary accommodation.
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## **6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK**

- 6.1 The current Housing Allocation scheme was introduced in 2013. The scheme was devised after an extensive consultation process with both internal and external stakeholders.
  - 6.2 If the recommended proposals are accepted by the Communities, Housing and Environment committee, the Council is under a statutory duty to provide a copy of the proposed amendments to every housing association with whom the Council has a nomination agreement and to afford them a reasonable period in which to comment on the amendments.
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## **7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION**

- 7.1 Upon agreement of the proposed recommendations and after consultation with our main housing providers, all relevant stakeholders will be issued with the updated scheme. The updated Housing Allocation scheme will also be published on the Council's website. It is proposed that the consultation process will take 8 weeks.
  - 7.2 Once the consultation process has been completed, the revised Allocation Scheme, along with any further amendments, will be considered at the Communities, Housing and Environment Committee in February 2020, which would enable an implementation date of 1<sup>st</sup> April 2020.
  - 7.3 A communication strategy will be agreed with the Council's Communication Team in order to make applicants aware of the changes and how they will be affected, in time for the changes to be implemented in April 2020.
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## **8. REPORT APPENDICES**

The following documents are to be published with this report and form part of the report:

- Appendix A: Housing Allocation Scheme – Table of Amendments
  - Appendix B: Housing Allocation Scheme version 2.1
  - Appendix C: Equalities Impact Assessment
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## **9. BACKGROUND PAPERS**

Homelessness Reduction Act 2017  
Housing Act 1996