

TITLE OF REPORT: ADOPTION OF AN UPDATED HOUSING ALLOCATION SCHEME

REPORT OF THE HEAD OF HOUSING AND PUBLIC PROTECTION
EXECUTIVE MEMBER: CLLR BERNARD LOVEWELL

1. SUMMARY

1.1 The Council currently shares a Common Housing Allocation Scheme (CHAS) with North Herts Homes (NHH) and Howard Cottage Housing Association (HCHA) for the allocation of social accommodation in North Hertfordshire. This report seeks Cabinet approval to adopt an updated Scheme. The changes have been proposed to provide clarity, comply with case law and, crucially, to reduce pressures on temporary accommodation and minimise the use of bed and breakfast accommodation.

2. RECOMMENDATIONS

- 2.1 That Cabinet approves the updated version of the Common Housing Allocation Scheme.
- 2.2 That Cabinet delegates to the Executive Member for Housing and Environmental Health, in conjunction with the Head of Housing and Public Protection, the power to make minor amendments to the Common Housing Allocation Scheme and to agree the date for its commencement.

3. REASONS FOR RECOMMENDATIONS

3.1 To enable the introduction of an updated Common Housing Allocation Scheme (CHAS) that better meets the housing needs of North Hertfordshire.

4. ALTERNATIVE OPTIONS CONSIDERED

4.1 Cabinet could decide against approving the new Common Housing Allocation Scheme, however the risk outlined in paragraph 11.1, may be realised.

5. CONSULTATION WITH EXTERNAL ORGANISATIONS AND WARD MEMBERS

5.1 Officers have had regard the Council's Consultation Strategy 2016-2020, including the Gunning Principles, when drafting an updated CHAS (proposed version attached at Appendix A) in collaboration with its housing partners, NHH and HCHA. Due to the lack of alternative options and the relatively small number of housing applicants affected by the proposal it was not considered appropriate to conduct a wide consultation exercise on this occasion.

5.2 Cllr Bernard Lovewell, the Executive Member for Housing and Environmental Health, has been consulted and is supportive of the proposals contained in this report.

- 5.3 The Overview and Scrutiny Committee is scheduled to consider the proposals, set out in this report, at its meeting on the 19th July 2016 – any proposed changes arising from this discussion will be made available to Cabinet by way of a referred matter.

6. FORWARD PLAN

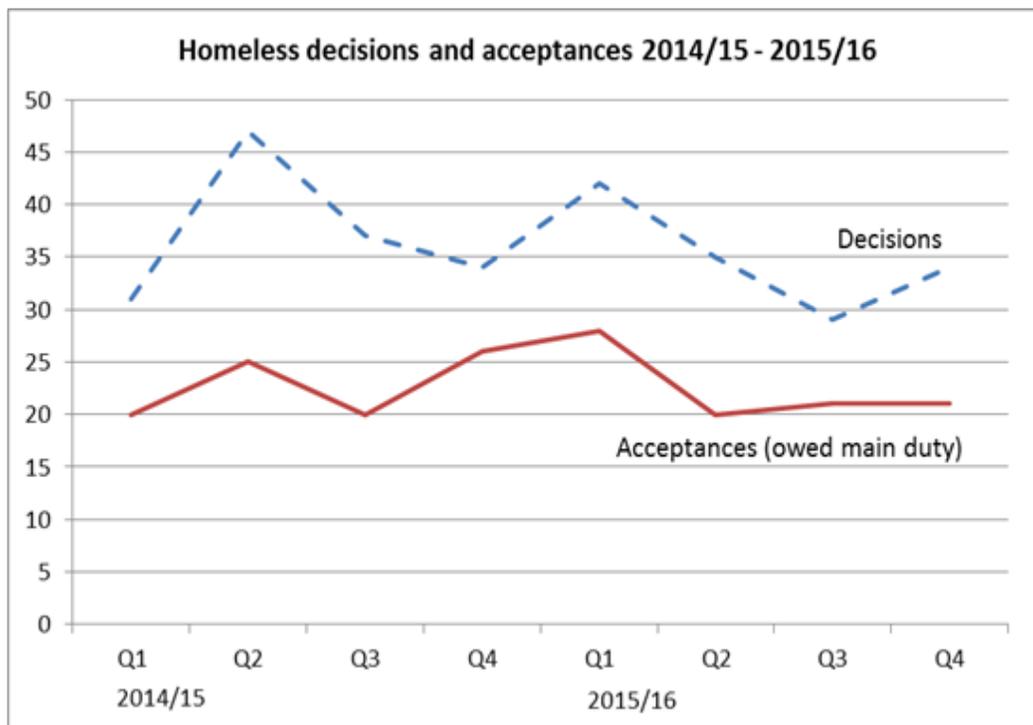
- 6.1 This report contains a recommendation on a Key Decision that was first notified to the public in the Forward Plan on 15th April 2016.

7. BACKGROUND

- 7.1 The Council is the 'Local Housing Authority' (LHA) with the legal responsibility for many housing functions including the management of homelessness and nominations to the majority of social housing vacancies. In terms of the nomination of housing applicants to vacancies, LHA must have an allocation scheme for determining priorities and the procedures to be followed in allocating that housing. This requirement applies to all LHAs regardless of whether or not they retain ownership of social housing stock.
- 7.2 The North Hertfordshire Housing Partnership (NHHP) was formed in June 2005. The members are North Hertfordshire District Council, Howard Cottage Housing Association and North Hertfordshire Homes. A new, single Common Housing Allocation Scheme was agreed by all members of the NHHP and this was implemented on the 1st July 2009. The partnership approach enabled the process of registering applications for social housing to be streamlined and nomination rights to vacancies to be pooled in order to provide better customer service and a more efficient way of working.
- 7.3 The Localism Act 2011 gave LHAs and Private Registered Providers (PRPs – the current legislative name for housing associations) greater freedom to set priorities and criteria for social housing waiting lists, including the power to exclude certain categories of people from the Housing Register. The current version of the CHAS came into effect in March 2014 and this introduced a number of exclusions for those with poor tenancy records, such as applicants with outstanding housing debts and those associated with unacceptable behaviour, including anti-social behaviour. A 10 year ban for those evicted from social housing was also introduced as regards that person from being re-housed by that same landlord.
- 7.4 The demand for social housing in the district far outweighs the supply of vacancies. There were 2,264 households registered for social housing on the Common Housing Register (CHR) as at 30th June 2016. There were 452 lettings of social housing in 2015/16.
- 7.5 The following table provides lettings data for the last two financial years in terms of lets by NHH, HCHA, and, collectively, the other 22 PRPs with stock in the district:

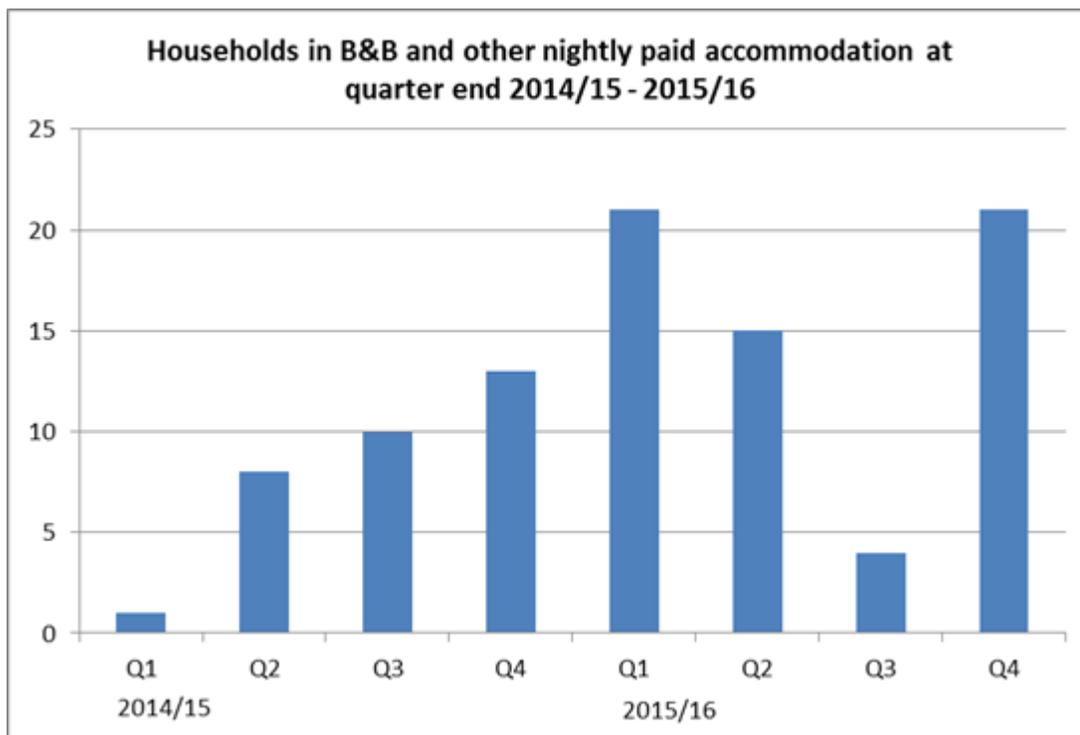
	Total lets	<i>of which, sheltered accommodation</i>	<i>of which, to homeless households</i>
2014/15	454	53	50
HCHA	69	9	4
NHH	326	38	36
Other PRPs	62	6	10
2015/16	452	55	80
HCHA	60	0	9
NHH	349	54	61
Other PRPs	43	1	10

7.6 The Council's Housing Options Team provides a free housing advice service to members of the public and their role also includes the prevention of homelessness, whenever possible. There has been a significant number of formal homelessness presentations made over the last two years and acceptances have remained fairly consistent, as illustrated in the following table:



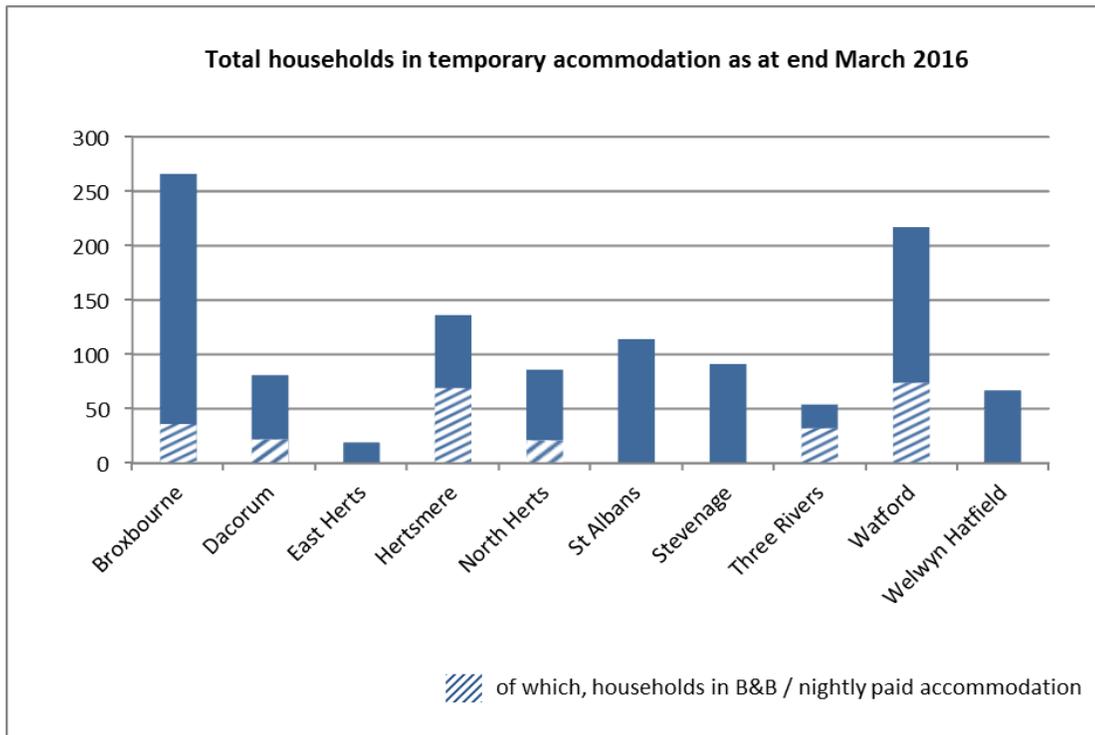
7.7 North Herts Homes provides 73 units of supported hostel accommodation ("Temporary Accommodation") for homeless households; it also makes available a small number of general needs properties provided on a temporary basis. Although there is a reasonable turnover of vacancies, due to the demand for hostel spaces temporary accommodation has largely been fully occupied for the last two years.

7.8 In instances where there is no available capacity in temporary accommodation, the Council is obliged to place homeless households in Bed and Breakfast (B&B) accommodation. B&B has been used consistently over the past two years, as illustrated in the table below:



The net cost of B&B accommodation to the Council was £90k in 2014/15 and £175k in 2015/16 and this has been recorded as a 'Top Risk' for the Council.

7.9 There has been a high level of temporary accommodation usage (including B&B) by local authorities across Hertfordshire and beyond. The table below outlines the situation in Hertfordshire at the end of March 2016:



7.10 The Government introduced legislation confirming that LHAs should only use B&B in an emergency for households with children and/or where a member of the household is pregnant, and then only for a maximum of six weeks. Generally, B&B provides a poor option for households as there are limited facilities and the accommodation may be located out of the district, or even local area. In addition to the cost to LHAs, it can take a significant amount of officer time to place households in B&B units.

7.11 At its meeting on 16th July 2015, the Full Council resolved:

“That this Council notes with concern the increased use of bed and breakfast accommodation to house homeless applicants, with 21 households in such accommodation as at 16 July 2015. Council instructs officers to continue to pursue with urgency the accommodation options for homeless households with the aim of eradicating bed and breakfast usage and reducing the overall numbers in temporary accommodation.”

7.12 The proposals contained in this report are consistent with the Council's Corporate Objective of being 'Responsive and Efficient' and the priorities contained in the adopted Housing and Homelessness Strategy (2013-2018).

8. ISSUES

8.1 In past years, the private rented sector provided a viable option for many households looking for accommodation, despite the sector being relatively small (amounting to approximately 13% of housing stock in the district). However, the introduction of the Welfare Reform Act 2012, relatively low Local Housing Allowance levels, and other factors such as the impending arrival of Universal Credit, have collectively sharply reduced access to private sector accommodation for those reliant on Housing Benefit to fund their rent. Most private landlords seek to charge higher rent levels, pricing out those reliant on

Housing Benefit, and are generally unwilling to consider accommodating households who may not be employed, even in instances where the Council is willing to provide some form of financial guarantee.

- 8.2 A relatively small, but growing, number of households (15 at the time of writing) who meet the statutory homelessness criteria and have been placed in temporary accommodation are currently excluded from accessing the CHR due to the restrictions cited in 7.3. Around half of these households are managing their current temporary accommodation tenancies successfully and have made efforts to repay any rent arrears and/or demonstrated significant improvements in their behaviour. As the private rented sector has been difficult to access, their ineligibility for social housing has resulted in them remaining in temporary accommodation for extended periods; this reduces turnover and the availability of units for new homeless households – hence the increased use of B&B accommodation.
- 8.3 The current version of the CHAS allows homeless households, who have been accepted by the Council, to make their own bids for social housing vacancies for a period of three months. After this period has passed, the Council may remove bids that have been placed and replace them with bids on properties with a higher likelihood of success. As the temporary accommodation has been largely fully occupied for the last two years, the Council and NHH have agreed to try and reduce the length of stay for residents and resettle them sooner. This should release units more quickly and help meet the ongoing demand from homeless households. Of the nine other local authorities in Hertfordshire, two do not offer any period where homeless applicants are free to make their own bids, two allow a period of one month and two offer two months. The remaining three authorities have not stated a timeframe, however one states the ability to bid freely is ‘time limited’, another does not state a timescale and the other reserves the right to make a direct offer of accommodation, depending on current pressures.
- 8.4 Officers have frequently reviewed the supply of accommodation for homeless people and over the past year have explored the provision of extra temporary accommodation units with two PRPs. It is clear that any future dedicated accommodation solution will require a significant public investment and will take a number of years to deliver. In the meantime, alternative measures have been reviewed and officers are pursuing the following accommodation options:
- Prioritising access to the CHR for some family/parental eviction cases so they can be accommodated directly in to social housing, bypassing the need for temporary accommodation
 - Temporary ‘ringfencing’ of some two bedroom social housing vacancies for homeless households
 - Agreement to use some Welwyn & Hatfield Community Housing Trust hostel vacancies
 - Occasional private rented sector placements
 - Aldwyck Housing Group placements into services for homeless young people and those with poor mental health
 - Use of the Herts Young Homelessness ‘Crashpad’ service for homeless young people whenever possible
 - Closer working with NHH and use of CHR discretion for some households in temporary accommodation

Officers have also undertaken a restructuring of staff resources to refocus on proactive intervention as regards homelessness.

These measures have contributed to a consistent reduction in B&B usage from 21 placements at the end of March 2016 to two at the end of June 2016. However, despite this recent success, the challenges regarding temporary accommodation (including use of B&B) are likely to remain for the foreseeable future. Officers continue to try and improve access by homeless households to the private rented sector however this is unlikely to provide a significant source of affordable housing in the near future.

- 8.5 It should also be highlighted that some homeless single people have complex needs that cannot be met in family hostels and this is likely to result in a small number of B&B placements in the future, even if there are vacancies in general temporary accommodation. Discussions are progressing with a PRP to assess whether a specialist local temporary accommodation service is viable for this client group.
- 8.6 The CHAS proposals contained in this report (attached at Appendix B) seek to facilitate move-on from temporary accommodation and minimise the number of B&B placements. It aims to achieve this by improving access to the CHR for the cohort of households summarised in 8.2.

The proposed measures will also enable excluded applicants, who have behaved responsibly and meet the new criteria, to be considered for social housing without the requirement to make a homelessness application, possibly eliminating the requirement for a placement in temporary accommodation altogether. They will also provide an incentive for excluded households to improve their behaviour and begin to repay any outstanding rent arrears.

The key proposals to reduce pressures on temporary accommodation are:

- Enable those with former tenants arrears to qualify for the CHR after repaying 25% of the debt and entering into and maintaining an agreed repayment plan (paragraph 5.5.2)
 - Reduce the CHR exclusion period for households guilty of anti-social behaviour, or a crime likely to cause fear, distress or alarm, from five years to three years for those with no further convictions for unacceptable behaviour (paragraph 5.5.1)
 - Removal of a further five year landlord ban on those evicted from social housing (paragraph 5.5.4)
 - A reduction in the period for homeless households to make their own bids from three months to one month (paragraph 22.1)
- 8.7 To date, NHH has been supportive of the proposals contained in this report and will formally consider the proposed CHAS on the 28th July. NHH has been working closely with the Council to improve move-on from temporary accommodation. NHH have advised they may take the opportunity to issue Assured Shorthold Tenancies (ASTs) of six months, in the first instance for some households who may be accommodated under the proposals set out in this report; this should be seen as a risk management measure and is consistent with recommendations contained in the Council's Tenancy Strategy. The Council has confirmed it will consider financial arrangements that share risk on a

'case by case' basis. The ability to consider discretionary CHR access remains for exceptional cases although this has proved to be a time consuming process, hence the proposals contained in this report that are designed to introduce recognition of responsible behaviour in to policy rather than review and assess each case individually.

- 8.8 Following discussions on the review of the CHAS, HCHA has expressed concerns over the final proposals citing the risk to their rental income arising from the re-housing of persons currently excluded from registration. HCHA has indicated that the existing discretionary provisions that allow for each case to be considered on its merits are satisfactory. Officers have raised the alternative risk management options, including risk sharing arrangements, that could run alongside the provisions contained in the CHAS; however HCHA has not yet (at the time of writing) agreed the updated version of the CHAS at the centre of this report.

9. LEGAL IMPLICATIONS

- 9.1 It is within the Terms of Reference for Cabinet to prepare and agree to implement policies and strategies other than those reserved to Council. This includes policies relating to housing matters including enabling and the provision of housing and homelessness.
- 9.2 Section 4 of the Homelessness Act 2002 confirms that North Hertfordshire District Council is the Local Housing Authority (LHA) under the Housing Act 1985 Section 1 (1).
- 9.3 Section 14 (1) of the Homelessness Act 2002 provides that the LHA is no longer required to maintain a housing register. However, Section 166A (1) of the Housing Act 1996 states that every LHA shall have a scheme for determining local priorities and the procedure to be followed in allocating housing.
- 9.4 Section 166A (12) of the Housing Act 1996 states that when framing, or modifying their allocation scheme, LHAs must have regard to their tenancy and homelessness strategies.
- 9.5 Section 160ZA (7) of the Housing Act 1996, made by the Localism Act 2011, states that a LHA may decide what classes of persons are, or are not, qualifying persons.
- 9.6 Sections 188, 190 and 193 of Housing Act 1996 confirm that the LHA has a duty to secure accommodation for some homeless households.
- 9.7 The Homelessness (Suitability of Accommodation) (England) Order 2003 (SI2003/3326) came in to force on 1st April 2004. This states that where there is a homeless family with children or were a member of the household is pregnant, LHAs should only be placed in B&B accommodation in an emergency and even then for a maximum of six weeks.

10. FINANCIAL IMPLICATIONS

- 10.1 Should the risk sharing arrangement be taken up by PRPs as part of their approach to risk management, it is anticipated this will only be used in connection with a relatively small number of occasions due to the low number of households involved. In addition, the risk of default is considered to be low as

only responsible households who have demonstrated their ability to manage a tenancy will benefit from the proposed CHAS changes. Therefore, the cost of this arrangement is likely to be minimal and this can be borne by current Housing and Public Protection Service budgets.

11. RISK IMPLICATIONS

- 11.1 There is a risk that if the Council does not intervene and introduce remedial measures, the numbers of households in temporary accommodation who are unable to move-on will continue to grow, resulting in a significant net cost to the Council for B&B usage. In addition, use of B&B accommodation brings negative outcomes for those placed in these units and it is an inefficient option in terms of the provision of temporary accommodation.
- 11.2 Increased homelessness and the use of B&B has been noted as a 'Top Risk' for the Council, reference TR60.
- 11.3 HCHA has been asked to confirm its final decision regarding the provisions contained in the proposed revised CHAS. Annual software costs for the CHR and Choice Based Lettings are currently shared between HCHA, NHH and the Council. HCHA contributed £2.5k of the total costs in 2015/16. Should they decide to depart from current partnership arrangements officers will begin discussions with both NHH and HCHA on the options regarding working practices and future cost allocation. Should the Council agree to fund part, or all of this amount, it could be covered via existing budgets.

12. EQUALITIES IMPLICATIONS

- 12.1 The Equality Act 2010 came into force on the 1st October 2010, a major piece of legislation. The Act also created a new Public Sector Equality Duty, which came into force on the 5th April 2011. There is a General duty, described in 12.2, that public bodies must meet, underpinned by more specific duties which are designed to help meet them.
- 12.2 In line with the Public Sector Equality Duty, public bodies must, in the exercise of its functions, give **due regard** to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.3 There are relatively small numbers of households impacted by these proposals and no adverse effect is anticipated, as illustrated by the Equality Analysis at Appendix C. However, the operation of the whole Scheme will continue to be monitored and reported annually.

13. SOCIAL VALUE IMPLICATIONS

- 13.1 As the recommendations made in this report do not constitute a public service contract, the measurement of 'social value' as required by the Public Services (Social Value) Act 2012 need not be applied, although equalities implications and opportunities are identified in the relevant section at paragraphs 12.

14. HUMAN RESOURCE IMPLICATIONS

- 14.1 None.

15. APPENDICES

- 15.1 Appendix A - Proposed Common Housing Allocation Scheme.
- 15.2 Appendix B – Update to the Common Housing Allocation Scheme.
- 15.3 Appendix C – Equality Analysis.

16. CONTACT OFFICERS

- 16.1 Andy Godman
Head of Housing and Public Protection
01462 474293
andy.Godman@north-herts.gov.uk
- 16.2 Martin Lawrence (Author)
Strategic Housing Manager
01462 474250
martin.Lawrence@north-herts.gov.uk
- 16.3 Liz Green
Head of Policy and Community Services
01462 474230
liz.Green@north-herts.gov.uk
- 16.4 Anthony Roche
Corporate Legal Manager and Monitoring Officer
01462 474588
anthony.Roche@north-herts.gov.uk
- 16.5 Ian Couper
Head of Finance, Performance and Asset Management
01462 474243
ian.Couper@north-herts.gov.uk

17. BACKGROUND PAPERS

- 17.1 Common Housing Allocation Scheme (<http://www.north-herts.gov.uk/home/housing/common-housing-register>)
- 17.2 Allocation of accommodation: guidance for local housing authorities in England (<https://www.gov.uk/government/publications/allocation-of-accommodation-guidance-for-local-housing-authorities-in-england>)