

**OVERVIEW AND SCRUTINY COMMITTEE  
20 JANUARY 2015**

**\*PART 1 – PUBLIC DOCUMENT**

**AGENDA ITEM No.**

**14**

**TITLE OF REPORT: IMPLEMENTATION OF THE NEW COMMON HOUSING ALLOCATION SCHEME - UPDATE**

REPORT OF THE HEAD OF HOUSING AND PUBLIC PROTECTION

PORTFOLIO HOLDER: CLLR BERNARD LOVEWELL

**1. SUMMARY**

- 1.1 This report has been produced in order to update the Overview and Scrutiny Committee on the implementation of the most recent version of the Common Housing Allocation Scheme (CHAS), with specific reference to several matters (which are outlined below, in paragraph 7.4).

**2. RECOMMENDATIONS**

- 2.1 That the update on the implementation of the CHAS and the responses to the specific matters requested by the Overview and Scrutiny Committee be noted and commented on as appropriate by the Committee.

**3. REASONS FOR RECOMMENDATIONS**

- 3.1 To enable the update on the implementation of the CHAS and the responses to the specific matters raised by the Overview and Scrutiny Committee to be considered.

**4. ALTERNATIVE OPTIONS CONSIDERED**

- 4.1 There are no alternative options as this report has been produced at the request of the Overview and Scrutiny Committee.

**5. CONSULTATION WITH EXTERNAL ORGANISATIONS AND WARD MEMBERS**

- 5.1 No external consultation has been undertaken in the preparation of this report. Members will, however, be aware that reports regarding the CHAS were taken to the Overview & Scrutiny Committee (19 March 2013) and the Cabinet (26 March 2013 and 30 July 2013).

**6. FORWARD PLAN**

- 6.1 This report does not contain a recommendation on a key decision and has not been referred to in the Forward Plan

## 7. BACKGROUND

- 7.1 The Localism Act 2011 has given local housing authorities 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 'reasonable preference' categories remain however, ensuring that priority for social housing goes to those in greatest need.
- 7.2 The North Hertfordshire Housing Partnership (NHHP) was formed in June 2005. The members are North Hertfordshire District Council, Howard Cottage Housing Association (HCHA) and North Hertfordshire Homes (NHH). A new, single CHAS was agreed by all members of the NHHP and this was implemented on the 1 July 2009, the same date that the Partnership launched the Choice Based Lettings approach to the allocation of social housing.
- 7.3 In the year 1 April 2013 to 31 March 14, there were a total of 599 lettings of social housing properties via the CHAS. NHH let 431 properties (72%) and HCHA let 93 units (16%) during this period. The remaining lettings were of vacancies offered by around twenty other Registered Providers (formerly known as Housing Associations) with stock in the district.
- 7.4 19 March 2013, the Overview and Scrutiny Committee considered the proposed CHAS, and it resolved:
- 1. That the Head of Housing and Public Protection Service be requested to make any statistics regarding rent arrears available to Members of this Committee;*
  - 2. That the Head of Housing and Public Protection Service be requested to make the SIAS report on use of discretion available to Members of this Committee;*
  - 3. That the Head of Housing and Public Protection Service be requested to report back to this committee 6-12 months after implementation of the New Common Housing Allocation Scheme to advise on the effect of the changes including any cost saving or expenses implications*
- 7.5 The Cabinet subsequently agreed the CHAS on the 26 March 2013; however it was presented again to the Cabinet on the 30 July 2013 for further consideration due to concerns from the Council's partners NHH and HCHA.
- 7.6 The Council's housing partners, NHH and HCHA, both registered concern over the impact of Welfare Reform in terms of the number of tenants who will probably fall in to rent arrears and the likely increase in the number of evictions that are undertaken. This would have further ramifications for the income of both organisations, potentially putting at risk their business plans. They requested that stronger sanctions were added to the CHAS to reduce the risk of them housing former tenants with poor tenancy records in the near future.
- 7.7 Cabinet agreed latest version of the CHAS on 30 July 2013 and all housing applications were reassessed under the new provisions, with the new Scheme being launched on 3 March 2014.

## **8 THE NEW COMMON HOUSING ALLOCATION SCHEME**

8.1 There is a very high demand for social housing in North Hertfordshire where the number of households applying for accommodation far exceeds the amount of housing available. The CHAS must therefore make the most of a scarce resource by targeting the provision of social housing at those who need it the most.

8.2 The changes to the CHAS affected:

- Eligibility to join the Common Housing Register;
- Working households;
- Households who can reasonably be expected to resolve their own housing needs;
- Under-occupying households; and
- The property size a household is eligible to bid on.

8.3 As part of the operation of the CHAS, discretion may be considered where there are instances of acute housing need concerning a household that would normally be excluded from the register, but can demonstrate mitigating circumstances. When discretion is being considered, individual cases will be reviewed by all NHHP members ensuring decisions remain consistent and fair. Housing applicants will also have an automatic 'right of review' of the decision denying them access to the Common Housing Register.

8.4 As of the end February 2014, there were around 3,100 households registered for social housing on the Common Housing Register (CHR). On the 3 March 2014, when the new CHAS was launched, there were 1,586 households on the CHR.

8.5 All housing applications were reassessed according to the new CHAS provisions, with a large number of households being removed from the CHR for the following reasons:

- No response – around 1250
- No housing need – 82
- No local connection – 49
- Outstanding housing debt – 46
- Sufficient resources - 41
- Unacceptable behaviour - 12

A small number of households were also removed due to being previously evicted from social housing, being in receipt of household income in excess of £60k and being found to have made decisions that purposefully 'worsened their circumstances'.

8.6 Since the CHAS was launched in March 2014, there have been 21 cases where discretion has been considered; 13 were accepted and their applications were added to the CHR and eight were not accepted. In terms of reviews of negative decisions, 26 have been upheld, with four being overturned.

## **9. ISSUES**

9.1 On the 19 March 2013, the Overview and Scrutiny Committee considered the proposed CHAS, and it resolved:

*1. That the Head of Housing and Public Protection Service be requested to make any statistics regarding rent arrears available to Members of this Committee;*

2. That the Head of Housing and Public Protection Service be requested to make the Shared Internal Audit Service report on use of discretion available to Members of this Committee;

3. That the Head of Housing and Public Protection Service be requested to report back to this committee 6-12 months after implementation of the New Common Housing Allocation Scheme to advise on the effect of the changes including any cost saving or expenses implications

As the CHAS has been in operation since 3 March 2014, Officers are now able to comment on the issues raised by the Overview and Scrutiny Committee, and the paragraphs below address each point in turn.

- 9.2 In terms of statistics regarding rent arrears, 46 households were removed from the CHR when the new CHAS was launched in March 2014 due to an outstanding housing debt. This includes housing debts in both the social and private rented sector and current and historic debts. Since March 2014, six households have requested reviews of the decision to exclude them from the CHR due to housing debt, with one case being overturned by the reviewing officer. In terms of discretion, three cases have been considered; one household was added to the CHR due to the low level of arrears and the difficult housing and medical circumstances of the household and the other two cases were deemed to be ineligible.
- 9.3 The Shared Internal Audit Service Assurance Statement, on the application of discretion within the CHAS, is attached to this report at Appendix 1. The audit concluded there to be a *substantial* level of assurance and all recommendations have been fully considered and appropriate action taken.
- 9.4 As illustrated by the statistics provided in paragraph 8.6, the reassessment process conducted prior to the changes introduced in March 2014 resulted in a large reduction in the number of households on the CHR. This has helped to reduce the administrative burden associated with the management of housing applications. However, demand has remained at similar levels with around 100 new applications being received each month across the NHHP. In addition, regular meetings of senior staff on the NHHP have been arranged to consider discretion and the number of reviews has increased dramatically due to the higher rate of negative decisions that are issued.

There has also been a higher level of Bed and Breakfast (B&B) accommodation usage due to several reasons, which include difficulties in moving on some households from temporary accommodation as they are ineligible to join the CHR. The cost of B&B accommodation is largely covered by Housing Benefit payments, so there is no direct financial impact on the Council.

Apart from the shared cost of a modest software enhancement that was required to run the new CHAS, there are no discernible cost savings or expense implications arising from the implementation of the new Scheme.

## **10. LEGAL IMPLICATIONS**

- 10.1 Section 4 of the Homelessness Act 2002 confirms that the District Council is the Local Housing Authority (LHA) under the Housing Act 1985 Section 1 (1).

10.2 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.

10.3 The new 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. The power for a housing authority to decide that an applicant is to be treated as ineligible by reason of unacceptable behaviour serious enough to make him unsuitable to be a tenant is redundant and has therefore been repealed.

## **11. FINANCIAL IMPLICATIONS**

11.1 There are no financial implications arising as a result of this report

## **12. RISK IMPLICATIONS**

12.1 There are no risk implications arising as a result of this report

## **13. EQUALITIES IMPLICATIONS**

13.1 The Equality Act 2010 came into force on the 1 October 2010, a major piece of legislation. The Act also created a new Public Sector Equality Duty, which came into force on the 5 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.

13.2 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.

13.3 There are no equality implications arising as a result of this report. However, outcomes from the CHAS will be monitored to ensure that no groups are unfairly disadvantaged by the operation of the Scheme.

## **14. SOCIAL VALUE IMPLICATIONS**

14.1 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 paragraph 13.

## **15. HUMAN RESOURCE IMPLICATIONS**

15.1 There are no Human Resource implications arising from the report

## **16. APPENDICES**

16.1 Appendix 1 – Shared Internal Audit Service Assurance Statement on the Common Housing Allocation Scheme

## **17. CONTACT OFFICERS**

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## **18. BACKGROUND PAPERS**

18.1 Allocation of accommodation: guidance for local housing authorities in England, 2012  
(<https://www.gov.uk/government/publications/allocation-of-accommodation-guidance-for-local-housing-authorities-in-england>)

18.2 The Common Housing Allocation Scheme, March 2014 ([http://www.north-herts.gov.uk/index/housing/apply\\_for\\_housing/common\\_housing\\_register.htm](http://www.north-herts.gov.uk/index/housing/apply_for_housing/common_housing_register.htm))