

OVERVIEW ANRUTINY COMMITTEE

19 July 2016

***PART 1 – PUBLIC DOCUMENT**

AGENDA ITEM No.

TITLE OF REPORT: ADOPTION OF AN UPDATED COMMON HOUSING ALLOCATION SCHEME

REPORT OF THE HEAD OF HOUSING AND PUBLIC PROTECTION

PORTFOLIO HOLDER: CLLR BERNARD LOVEWELL

1. SUMMARY

1.1 The Council shares a Common Housing Allocation Scheme with North Herts Homes and Howard Cottage Housing Association for the allocation of social accommodation in North Hertfordshire. This report seeks Cabinet approval to adopt an updated Scheme, with North Herts Homes and the Howard Cottage Housing Association considering the proposals separately in line with their decision making processes. The changes have been proposed to provide clarity, comply with case law and crucially, 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 Portfolio Holder 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 launch date for the commencement of the updated Scheme on behalf of the Council.

3. REASONS FOR RECOMMENDATIONS

3.1 To enable the introduction of an updated Common Housing Allocation Scheme 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 With reference to the appropriate level of consultation required on the updated Common Housing Allocation Scheme (proposed version attached at Appendix A), the Head of Housing and Public Protection, in conjunction with the Portfolio Holder for Housing and Environmental Health, have considered the Council's Consultation Strategy 2016-2020, including the Gunning Principles. Due to the lack of alternative options and the relatively small number of housing applicants affected, it was not considered appropriate to conduct a wide consultation exercise on this occasion.
- 5.2 Cllr Bernard Lovewell, the Portfolio Holder 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 19 July 2016.
- 5.4 The Council's housing partners North Hertfordshire Homes and Howard Cottage Housing Association have both contributed to the discussions resulting in the proposals contained in this report.

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 15 April 2016.

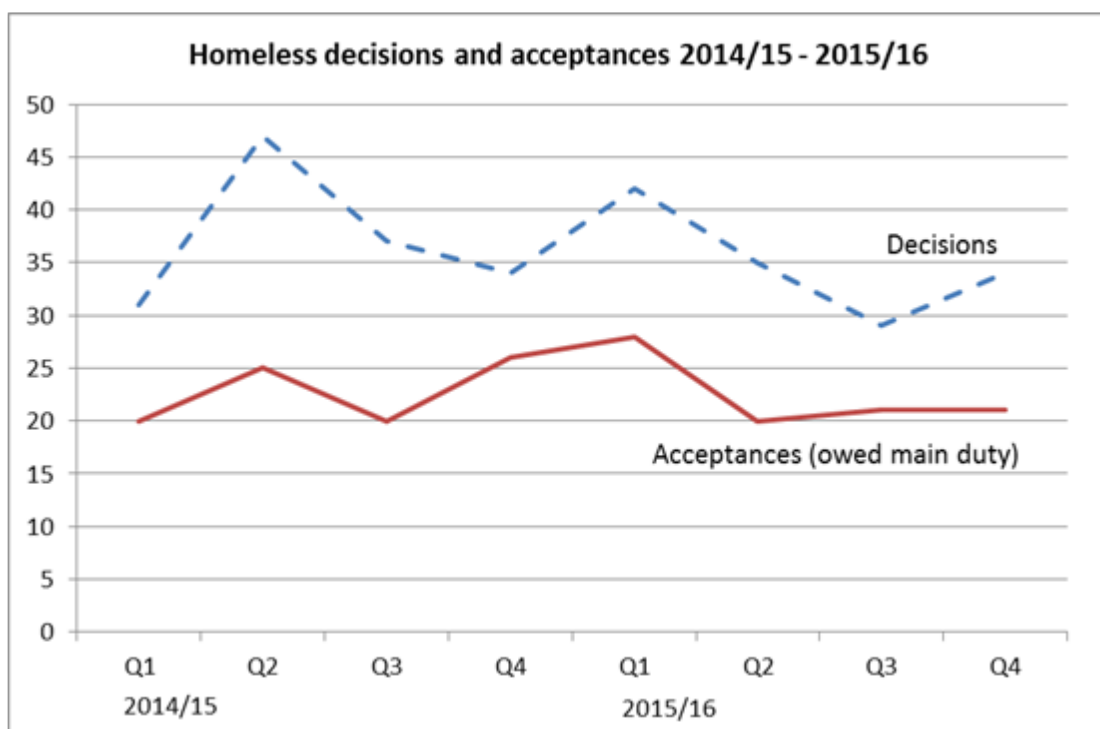
7. BACKGROUND

- 7.1 The Council is the 'local housing authority' 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, authorities must have an allocation scheme for determining priorities and the procedures to be followed in allocating social housing. This requirement applies to all local authorities, regardless of whether or not they retain ownership of the 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 (HCHA) and North Hertfordshire Homes (NHH). A new, single Common Housing Allocation Scheme (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. The partnership approach enabled the registration process 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 has given local housing authorities and registered providers' 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 was launched 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 guilty of unacceptable behaviour, including anti-social behaviour. For evictees of social housing, it also introduced a 10 year ban from being housed by the same landlord.

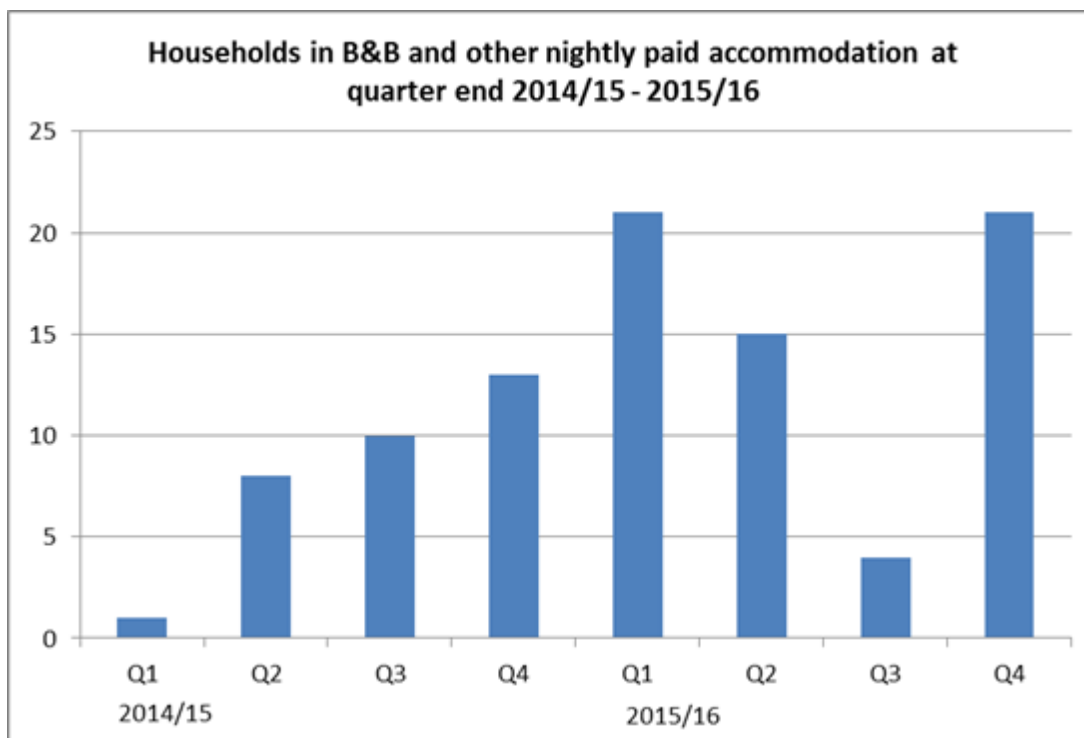
- 7.4 The demand for social housing in the district far outweighs the supply of vacancies. There were 2,264 households registered for social housing on the Common Housing Register (CHR) as at 30 June 2016. Between 1 April 2014 and 30 June 2016, 1,668 new registrations have been added to the CHR.
- 7.5 The following table illustrates the last two years of lets for HCHA, NHH and the other 22 registered providers' (RPs) 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 RPs	62	6	10
2015/16	452	55	80
HCHA	60	0	9
NHH	349	54	61
Other RPs	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 for homeless households with the addition of a small number of general needs properties provided on a temporary basis. This provision is spread throughout the district. Although there is a reasonable turnover of vacancies, due to the demand for hostel spaces, the 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 has placed 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 The government introduced legislation confirming the use of B&B by local authorities should only be 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 local area. In addition to the cost to local authorities, it can take a significant amount of officer time to source B&B units.
- 7.10 At its meeting on the 16 July 2015, the 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.*
- 7.11 The proposals contained in this report are consistent with the Council's Corporate Objective of 'Responsive and Efficient' and priorities contained in the adopted Housing and Homelessness Strategy (2013-2018).

8. ISSUES

8.1 In past years, the private rented sector has consistently provided the most productive option for many households looking for alternative accommodation, despite the sector being relatively small, providing around 13% of housing stock in the district. However, the introduction of the Welfare Reform Act 2012 and factors such as the impending arrival of Universal Credit and relatively low Local Housing Allowance levels, access to the private rented sector has been restricted for those reliant on Housing Benefit in order to pay the rent. Most 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 a financial guarantee.

8.2 A relatively small, but growing number of around 15 households, who meet the homelessness criteria and have been placed in temporary accommodation, are currently excluded from accessing the CHR. Around half of these households are managing their current tenancies successfully and have made efforts to repay former tenant arrears and/or demonstrated significant improvements in their behaviour. As the private rented sector has been difficult to access, they have remained in temporary accommodation for extended periods. This reduces turnover and the availability of units for new homeless households.

8.3 Officers have constantly reviewed the accommodation options for homeless people, and over the past year have undertaken discussions exploring the provision of extra temporary accommodation units with two RPs. It is clear that any future dedicated provision will require a significant 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:

- Use of CHR for family/parental eviction cases, bypassing the need for temporary accommodation
- Temporary 'ringfencing' of some two bedroom social housing vacancies for homeless households
- Agreement to use some Welwyn & Hatfield hostel vacancies
- Occasional private rented sector placements
- Aldwyck Housing Group placements in to services for homeless young people and those with poor mental health
- Use of HYH's 'Crashpad' service for homeless young people whenever possible
- Closer working with NHH and use of CHR discretion for some households in temporary accommodation

A number of other measures have recently been introduced with the aim of preventing homelessness and minimising the number of households placed in to B&B. These include:

- Restructuring of staff resources with a focus on proactive intervention
- Prioritisation of homelessness cases within officer caseloads
- Negotiation with 'excluders', who are looking to evict family members or friends

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, and the expectation that B&B levels remain low, the challenges regarding temporary accommodation are likely to remain for the foreseeable future due to the consistent level of homelessness approaches and the evolving impact of Welfare Reform. The Council continues to try and improve access to the private rented sector however this is unlikely to provide a significant source of affordable housing in the near future.

8.4 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 temporary accommodation. Discussions are progressing with a RP to assess whether a specialist local temporary accommodation service is viable for this client group.

8.5 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 responsible applicants who are managing their current tenancies successfully; however they are excluded from the CHR due to a previous poor tenancy record, such as not repaying debts outstanding from a former tenancy or the appropriate time period has not passed in relation to a previous offence.

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)

8.6 To date, NHH has been supportive of the proposals contained in this report and they are formally considering the updated CHAS on the 25 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 of six months, in the first instance for some households who may be accommodated under the proposals set out in this report as a risk management measure. 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.

- 8.7 Following discussions on the review of the CHAS, HCHA has expressed its concerns over the final proposals due to the risk to their rental income. They have indicated they feel the existing discretionary provisions should allow for each case to be considered on its merits. Officers have raised the alternative risk management tools, including risk sharing arrangements that could run alongside the provisions contained in the CHAS; however HCHA has not yet agreed the updated version. As a result the shared policy, if agreed by the Cabinet and NHH, may be implemented by these parties only. HCHA has been asked to confirm their final position, and if they decide to leave the NHH, their future approach to lettings. Partnership meetings have also been offered to discuss the position further and review alternative options.
- 8.8 A small number of residents in temporary accommodation regularly breach their tenancy conditions, despite the availability of on-site support. This can result in current rent arrears and/or behavioural issues. It is important to highlight these households will not benefit from the proposed changes to the CHR exclusion criteria and in cases where assistance has been repeatedly offered over a reasonable period of time, and problems persist, the Council is fully supportive of NHH taking possession action to evict these tenants.

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 the 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, authorities must have regard to their tenancy and homelessness strategies.
- 9.5 The new Section 160ZA (7) of the Housing Act 1996, made by the Localism Act 2011, states that a local housing authority may decide what classes of persons are, or are not, qualifying persons.
- 9.6 Sections 188, 190 and 193 of Housing Act 1996 confirms 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 1 April 2004. This states that where there is a homeless family with children or where a member of the household is pregnant, they 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 RPs as part of their approach to risk management, it is anticipated this will only be used on 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 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 The HCHA has been asked to confirm their final decision regarding the provisions contained in the 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.
- 11.4 As HCHA may decide to leave the partnership, there is a risk of a slightly increased workload for the Council, however it is anticipated this will be offset by improvements in efficiency.

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 the proposals and no adverse effect is anticipated, as illustrated by the Equality Analysis at Appendix C. However, the operation of the whole Scheme will 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

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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>)