

**Meeting: EXECUTIVE**

Portfolio Area: Housing Health & Older people

**Date: 13 MARCH 2018**



## **HOUSING ALLOCATIONS POLICY REVIEW 2018**

### **KEY DECISION**

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#### **1. PURPOSE**

- 1.1 To advise Members of the consultation outcomes and subsequent recommendations of the Allocations Policy review.

#### **2. RECOMMENDATIONS**

- 2.1 That the following changes to the Housing Allocations Policy be approved\* –
- 2.1.1 That those at risk of Homelessness<sup>1</sup>, who present themselves to SBC, who subsequently self-source alternative accommodation outside of the Borough retain their local connection for up to 2 years.
- 2.1.2 That the 5 year local connection rule is amended to 5 years out of the last 7 years.
- 2.1.3 That those who are under-occupying are given a priority banding allowing them to bid for properties themselves via the Choice Based Letting system process. For households under-occupying by 2 bedrooms a band B to be applied and for those under-occupying by 1 bed for a Band C to be applied.

\*NOTE: Appendix 3 outlines the changes to the current policy that are proposed. Recommended changes are indicated in Section 13.2 (Local connection), Section 24 (The banding system, see band B, C, E & F) and Section 25 (Local lettings policy) and Section 35 (Re-housing guarantee scheme).

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**3. BACKGROUND**

- 3.1 The current Allocations Policy was implemented in January 2015 and subsequently reviewed in July 2015 and January 2016.
- 3.2 The Community Select Committee (CSC) have been undertaking a review of the current Allocations Policy during 2017/18.
- 3.3 An Allocations review scoping group was formed consisting of the Housing Health & Older people portfolio holder, Interim Housing Advice and Homelessness Manager, Corporate Strategy Manager, Scrutiny Officer, Interim Operations Manager. It was chaired by the Empty Homes Manager who considered original recommendations put forward by CSC together with recommendations coming out of the Allocations review scoping group. A scoping document was presented to CSC for approval.
- 3.4 This report provides an update on changes recommended to the current policy following the scope agreed by the CSC and the reasoning behind these recommendations.
- 3.5 Non-key minor changes continue to be agreed through the Assistant Director's delegated authority.

**4. REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS**

- 4.1 **Recommendation 2.1.1** - That those at risk of Homelessness <sup>1</sup>, who present themselves to SBC, who subsequently self-source alternative accommodation outside of the Borough retain their local connection for up to 2 years:
- 4.2 **Current policy:** SBC administer an unbroken 5 year local connection rule. Consequently as soon as a resident leaves Stevenage Borough, in theory they lose their local connection.
- 4.3 This recommendation is aimed at encouraging any household who faces the risk of homelessness to self-source private sector accommodation out of the borough to allow SBC to work on homelessness prevention <sup>1</sup> over this period. The aim is that there will be less of a demand of temporary or emergency accommodation. This will assist SBC in achieving its objectives in meeting the requirements of the Homelessness Reduction Act to be implemented in April 2018. Stevenage is not incentivising those at risk of Homelessness to self-source alternative accommodation whilst officers work on other prevention options. The current process encourages this group to rely on Stevenage Borough Council and wait until Homelessness is no longer a risk but a reality. These clients are unfairly been penalised for moving into properties in neighbouring areas.

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- 4.4 **Recommendation 2.1.2** - That the 5 year local connection rule is amended to 5 years out of the last 7 years:
- 4.5 **Current Policy:** Stevenage Borough Council operates a 5 year local connection rule which does not allow for long-standing Stevenage residents who move out of the Borough, either for a short-term work contract or for other genuine reasons (which have subsequently failed). This proposed change allows for those who need to return to the Borough.
- 4.5.1 Under section 34 of the current Allocations Policy (Re-housing Guarantee), there is a provision to extend the Local Connection rule to allow those who have moved out of the Borough for up to 2 years. However the onus is placed on the tenant to apply for the guarantee before they move out and is restricted to Stevenage Borough Council tenants only. Therefore this rule can only apply to a current tenant who has pre-existing knowledge of the date of their return, is aware of the guarantee and has made a formal application before-hand.
- 4.5.2 The current Re-housing Guarantee does not make allowances for long-standing Stevenage residents, current applicants who are not tenants or household members of current tenants to benefit from this rule. This group is currently being penalised where a need to leave the Borough temporarily or where a need to leave the Borough fails by not allowing access to the register upon their return.
- 4.5.3 Where an appeal is made on the 5 year local connection ruling (in cases where this has been broken by a few months) it is often the case that the appeals are upheld, through the Housing Panel. See case studies in Appendix 1. However unless an appeal is made it can be the case that this group is excluded at the point of original application.
- 4.5.4 Benchmarking within Hertfordshire, highlights differing local connection criteria: North Herts 3 out of last 5 years; East Herts no local connection criteria, although an additional 50 points are awarded if they have lived in the area in the last 12 months; Dacorum 10 years at some point; St Albans 3 years; Watford 5 out of last 6 years; All the other Hertfordshire authorities have a 5 year local connection rule
- 4.6 **Recommendation 2.1.3** - That those who are under-occupying are given a priority banding allowing them to bid for properties themselves via the Choice Based Letting system process. For households under-occupying by 2 bedrooms a band B to be applied and for those under-occupying by 1 bed for a Band C to be applied:
- 4.5.1 **Current Policy:** Stevenage Borough Council does not apply a banding priority to households who are under-occupying their homes. Currently any household under-occupying (with no other priority banding) is placed in band F and are excluded from bidding. Under-occupiers are unable to 'self-serve' by bidding on properties, in order to meet their needs. The current process is undertaken through direct lets <sup>2</sup> and manually offering properties when a need has been

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highlighted. Consequently Stevenage Borough Council are missing out on potential under-used family accommodation.

4.5.1 The recommendation of applying a banding is intended to be an enhancement to the current direct let process and not as a replacement. Where required officers will continue to work with tenants who have specific needs and where direct lets are required or are more appropriate to achieve the best use of stock.

4.5.2 At the last date of reporting (September 2017) there are 115 (band F) Stevenage Borough Council applicants seeking to downsize that are unable to bid; There are a further 70 Stevenage Borough Council applicants in other bands seeking to downsize who have received no additional priority and 270 Stevenage Borough Council tenants in overcrowded conditions on the Housing Register.

4.5.3 Of current under-occupiers registered there are in the region of 150 who are over the age of 55, which would indicate a potential client group for sheltered accommodation.

The aim of Recommendation 2.1.3 is to increase the number of under-occupiers being rehoused, releasing a valuable resource and increase the mobility of households requiring larger properties.

4.5.4 The Band B and band C priority recommendations have been based on the level of demand of those currently under-occupying and their housing need: Of those under-occupying by 2 beds or more (110) 109 require a 1 bed, as a result the vast majority of this group will be giving up a family unit for a non-family unit, whilst those under-occupying by 1 bed (75) 48 will be given up a family unit for a non-family unit. Subsequently the 2 beds plus under-occupying category, proportionally, will be giving us a greater asset and expecting less, then the other group, hence the higher priority banding recommendation. Industry standard is to apply same principle as per over-crowded, the more over-crowded the higher the priority.

	Total	Number requiring 1 bed	Number requiring family accommodation
Under-occupying by 2 beds or more	110	109	1
Under-occupying by 1 bed	75	48	27

4.6 The Future Town Future Council priorities of Stevenage include 'Excellent Council Homes'. These recommendations if approved meet this objective in regards to best use of council housing stock.

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### 4.7 Consultation

4.7.1 HMAB - Minutes from the Housing Management Advisory Board are recorded as 'Following discussion the HMAB agreed to the proposals.

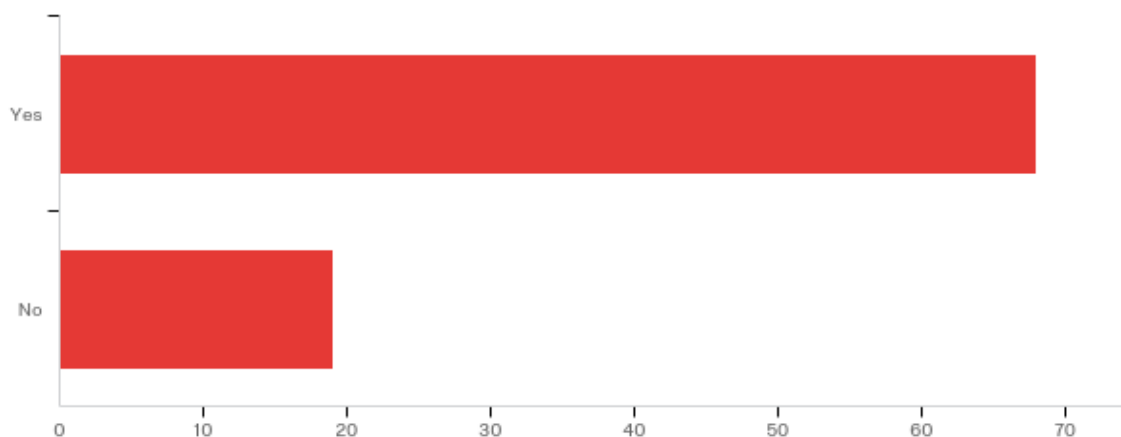
4.7.2 The recommendations have also been presented and approved by the Community select Committee and the Customer Scrutiny Panel. CSC commented that all 3 recommendations were a positive step and are to be incorporated into the final recommendation document.

4.7.3 Consultation questions were approved by the Consultation panel and issued for consultation on the 11<sup>th</sup> December 2017. See Appendix 2

4.7.4 An advert was placed in the Chronicle and further advertised via the Stevenage Borough Council website. Members, CAB and partner RSL's were included in an e-mail out to advise of the consultation and provided details to the link on Stevenage Borough Council's website. In addition hard copies of the survey were available at the Customer Service Centre. The survey was also advertised internally in the Housing & Investment monthly newsletter.

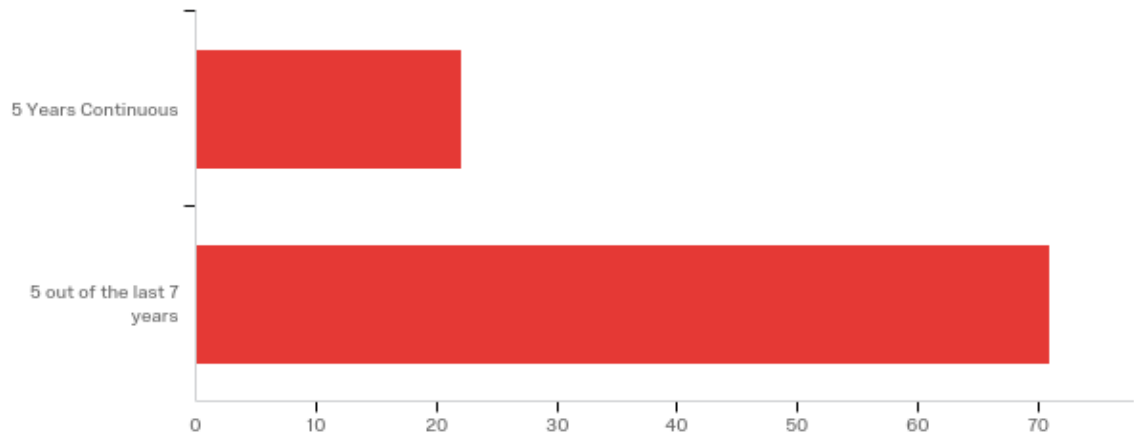
4.7.5 Consultation closed on the 31<sup>st</sup> January 2018.

4.7.6 Recommendation 1 received 87 respondents, 68 agreed with the recommendation, an approval rate of 78.16%

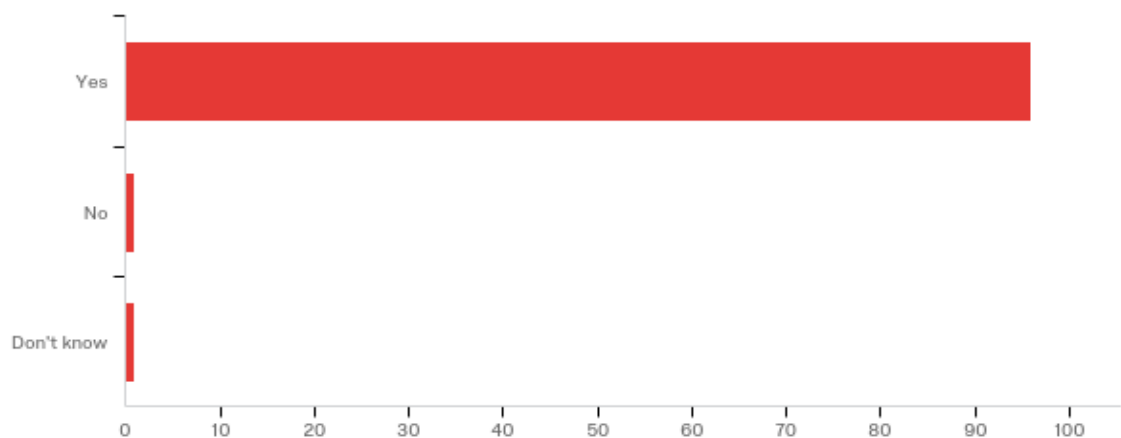


4.7.7 Recommendation 2 received 93 respondents, 71 agreed with the recommendation, an approval rate of 76.34%

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4.7.8 Recommendation 3 received 98 respondents, 96 agreed with the recommendation, an approval rate of 97.96%



## **5 IMPLICATIONS**

### **5.1 Financial Implications**

5.1.1 Currently any Council tenant who down-sizes receives an incentive of £750 per room (not withstanding and rent arrears or recharges). The budget for 2017/18 is £15,000, as at the 31 December £11,333 had been spent. It is anticipated that the budget will be fully spent by end of year.

5.1.2 As part of the 2018/19 budgeting process a growth bid of £30,000 was approved at Council in January 2018 to increase the amount of money available to incentivise tenants and reduce the amount of under-occupation.

## **5.2 Legal Implications**

The requirements for an allocation scheme and for “reasonable preference” to be given to certain classes of people are contained in Part VI Housing Act 1996. Section 166A(3) provides that:

“As regards priorities, the scheme shall... be framed so as to secure that reasonable preference is given to—

- (a) people who are homeless (within the meaning of Part 7);
- (b) people who are owed a duty by any local housing authority under section 190(2) , 193(2) or 195(2) (or under section 65(2) or 68(2) of the Housing Act 1985) or who are occupying accommodation secured by any such authority under section 192(3);
- (c) people occupying insanitary or overcrowded housing or otherwise living in unsatisfactory housing conditions;
- (d) people who need to move on medical or welfare grounds (including any grounds relating to a disability); and
- (e) people who need to move to a particular locality in the district of the authority, where failure to meet that need would cause hardship (to themselves or to others).”

In certain circumstances additional preference must also be given to persons with urgent housing needs who fall within one or more of paragraphs (a) to (e) and who are current or former members of the armed forces.

Qualification criteria cannot be applied to exclude from the housing register anyone who is owed reasonable preference. However, 'reasonable' is not be equated with absolute preference and all such applicants should be banded according to their housing needs. If no other such need is identified, they may be placed in the lowest band.

From April 2018, as a result of the Homelessness Reduction Act 2017, s195(2) will be amended to include eligible persons threatened with homelessness who do not have priority need and, by virtue of s.166A(3)(b), such persons will be owed reasonable preference.

- 5.2.2 Section 159 (4A) and (4B) provide that the provisions of Part VI of the Act do not apply to existing tenants unless they fall within the “reasonable preference” categories in s166A(3). However, in formulating their Allocation policies, councils can take wider housing management considerations into account and the DCLG Guidance states at para 4.19 that “The Secretary of State would encourage authorities to consider the scope to take advantage of this flexibility to meet local needs and local priorities”. The Council can therefore decide in its Allocation policy to give priority to existing tenants who wish to transfer but do not fall within one of the categories for reasonable preference, provided

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that overall the Allocation Scheme gives preference to people who do fall within those categories.

- 5.2.3 The same result can be achieved by creating a 'local lettings policy' within the main scheme. Section 166A(6) of the 1996 Act provides that 'subject to subsection (3) [reasonable preference], the scheme may contain provision about the allocation of particular housing accommodation ... (b) to persons of a particular description (whether or not they are within subsection (3))'.

According to para 4.21 of the DCLG's guidance, this section "enables housing authorities to allocate particular accommodation to people of a particular description, whether or not they fall within the reasonable preference categories, provided that overall the authority is able to demonstrate compliance with the requirements of s.166A(3). This is the statutory basis for so-called 'local lettings policies' which may be used to achieve a wide variety of housing management and policy objectives."

### **5.3 Equalities and Diversity Implications**

- 5.3.1 A brief Equality Impact Assessment has been undertaken. See appendix 4.

- 5.3.2 No negative impacts have been identified. A positive impact has been identified in regards to increasing access to housing and equal opportunity to accessing housing for the elderly.

### **5.4 Risk Implications**

- 5.4.1 'There are no significant risks to the Council in agreeing the recommendation(s).

- 5.4.2 It is anticipated that there will be a minor increase in Band B and Band C applications as under-occupiers re-apply. However the expectation is that this will be for a 6 to 12 month period and will stabilise as more family accommodation becomes available increasing mobility.

### **5.5 Information Technology Implications**

- 5.5.1 Some changes to Northgate will be required in regards to adding the additional priorities. Due to end of year requirements and the implementation



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of new modules to Northgate it is likely that changes will not take place until May 2018.

**BACKGROUND DOCUMENTS**

None

**APPENDICES**

- Appendix 1 - Case studies of Local Connection appeals
- Appendix 2 - Consultation proposal form
- Appendix 3 - Allocations policy with recommended changes
- Appendix 4 - Equalities impact assessment
- Appendix 5 – Glossary of terms