

## SOUTH HOLLAND DISTRICT COUNCIL

**Report of:** Portfolio Holder for HRA & Private Sector Housing and Executive Director - Commercialisation (S151)

**To:** Cabinet, Tuesday 27 April 2021

**(Author:** Vikki Cherry, Housing Services Manager)

**Subject** Review of Housing Allocations and Lettings Policy

**Purpose:** To seek approval of the revised Housing Allocations and Lettings Policy to advise Members of the consultation process required to implement a new policy.

### **Recommendation(s):**

- 1) That Cabinet adopts the revised Housing Allocations and Lettings Policy, subject to formal consultation with partner Registered Providers.
- 2) That Cabinet delegates amendments to the appendices of the Policy and minor operational amendments, following consultation with partner Registered Providers, to the Housing Landlord Services Manager in consultation with the Portfolio Holder for HRA & Private Sector Housing.

### **1.0 BACKGROUND**

- 1.1 Councils are legally required to have a policy on how they allocate social housing within their district. The policy was last reviewed in 2019, however this was a minor review resulting in limited changes. The last major review was conducted in 2015.
- 1.2 It is essential that the Allocations Policy is reviewed regularly to ensure that it meets current legislation & case law, and reflects the latest Council priorities. Officers are recommending a fundamental review is conducted to reflect:
  - The impact of Covid-19 on the economy and housing market including changes to housing legislation and housing policy as a result of Covid-19
  - Experience and learnings from implementation of the Homeless Reduction Act 2017
  - Feedback from developers and Registered Providers on the data supporting local housing need when considering building properties in the district.
- 1.3 The aim of the policy is to:
  - Provide an accessible, fair and transparent service
  - Meet local housing needs
  - Meet the housing needs of the most vulnerable
  - Prioritise those with the greatest/most urgent housing needs
  - Make the best use of existing social housing stock
  - Support safe and sustainable communities
  - Offer applicants choice in relation to available accommodation.

1.4 The proposed new policy has the following key changes:

- NEW Four bands to allow for additional levels of housing need to be considered (replacing the current three band system).
- Revised local connection criteria to reflect the local connection criteria set out in the Housing Act 1996 and the Homeless Reduction Act 2017. This allows for more transparency and consistency across Housing duties and resolves current difficulties with discharging homeless duties.
- NEW Allowance for households without a local connection to join the Register where they contribute to the district and have a housing need. (These cases will be limited to band four - awarded the lowest priority).
- NEW restriction of choice on location and property type when the household is in urgent need of rehousing (homeless/threatened with homelessness). Locations and property types are assessed by the Housing Officer as part of a suitability assessment in line with Housing Act 1996. This assessment will take into account place of work, schools and support networks.
- NEW reduced number of offers of accommodation available to those in urgent housing need to increase turnover of the Register and resolve homelessness.
- NEW increased household income threshold set at one-third of the average lower quartile housing sale price for the district (published by Hometrack). This figure will be set annually in April based on the figure published for October of the preceding year (as the figures are published every six months). For 2021/22, the limit per household is £49,998 gross income. This will allow more households to join the Register and to show a true reflection of the housing need in the district to Registered Providers/developers who wish to deliver additional affordable housing in the district.
- Revised 'unacceptable behaviour' definition to ensure that sustainable tenancies are achieved, as a way of encouraging those with previous poor tenancy conduct to address their circumstances and carry out more actions before they access the Register. Debt as a result of Covid-19 or redundancy will not be held against the applicant.
- Changing to order of priority of the banding system for people threatened with homelessness to discourage people from seeking notice from their landlord to increase priority – no benefit to households becoming homeless and making homelessness declarations. The Register is currently 'top heavy' with the High band primary consisting of homeless household's. This approach results in accommodation primarily being let to homeless households, and we believe this deters households in lower bandings from resolving their housing situation. This policy change is made in order to dispel the myth that you need to make a homeless declaration to the council in order to be housed.
- NEW management category to assist partner Register Providers and the Council in best management of stock which in turn creates further properties for letting through the Register. This includes priority for applicants releasing a significantly adapted property where the household no longer needs those adaptations.
- NEW expectations to complete all steps set out in the Personal Housing Plan at point of offer (where applicants are threatened with homelessness or are homeless). Making individuals take ownership of their issues and complete steps such as seeking debt advice to support them in sustaining a tenancy in the future
- Revised bedroom standards to include unborn children post 26 weeks pregnancy in the bedroom standard calculation. This will limit the demand on our shortage of 1 bedroom properties and reduce unnecessary voids following households moving again once the baby is born.
- NEW Prioritisation for significantly adapted properties to be let to those that need the adaptations rather than those in highest housing need.
- NEW Letting properties in new developments to applicants from a mixture of

bands one and two (rather than those in greatest priority) to ensure that new balanced sustainable communities are created and the place shaped.

- NEW 'other forms of tenancies' category to allow private tenants with no housing issues to qualify in recognition of their six month tenancy term. Allowing these households to qualify will also result in the Register showing a truer reflection of the housing need in the district.
- Additional steps at sign up of SHDC tenancies for those in receipt of/moving onto Universal Credit (to avoid delays in Housing Cost payments and so reduce chance of rent arrears)
- Revised Housing Assessment Panel membership involving partner Registered Providers to improve and foster good working relationships.

1.5 The Homelessness Reduction Act supports the revised approach to this policy, by rebalancing the relationship between the Council and its residents so that they become more active, independent and self-reliant; and are fully engaged in finding solutions to their problems. The Allocations Policy supports this direction of travel by the messages it gives, and the behaviour it encourages e.g. reduced priority for worsening circumstances, increased priority for those managing tenancies successfully. These changes will allow the Council to be more selective about new tenants (requiring them to address their circumstances before being re-housed), set a higher standard and deliver more sustainable tenancies.

1.6 This policy reflects informal feedback from partner Registered Providers and they support the changes. Following Cabinet approval, we are required to formally consult with partner Registered Providers.

1.7 No changes have been made to the Sheltered Housing criteria, this remains the same as the existing policy. A review of the criteria will be conducted in 2022/23 following the implementation of the Sheltered Housing review.

## 2.0 **OPTIONS**

2.1 That Cabinet adopts the revised Housing Allocations and Lettings Policy, subject to formal consultation with partner Registered Providers. That Cabinet delegates amendments to the appendices of the Policy and minor operational amendments, following consultation with partner Registered Providers, to the Housing Landlord Services Manager in consultation with the Portfolio Holder for HRA & Private Sector Housing.

2.2 That we do nothing and continue to adopt the 2019 policy.

## 3.0 **REASONS FOR RECOMMENDATION(S)**

3.1 The policy needs to be reviewed in order to reflect the changing housing landscape nationally and locally in response to Covid-19 and the Homeless Reduction Act.

3.2 The revised changes will allow greater numbers of households to join the Register. Whilst we will still not allow tenants who have poor tenancy conduct to join the Register, we will allow a greater number of circumstances to qualify by partially relaxing qualification criteria. This will be a truer reflection of the housing need in South Holland and attract additional building of social housing in the district, investment of funding from Homes England and Registered Providers.

- 3.3 Changes proposed focussed on households threatened with homelessness or homeless will dispel the myth that you need to be homeless to be housed by the Council and support Officers' advising applicants to take responsibility of their own circumstances and seek alternative accommodation. It is hoped that this approach will also see a reduction in the number households making declarations as homeless to the authority.
- 3.4 The review continues to focus the policy to a vision of ensuring allocations for the "Right Person, Right Place, Right Time and at the Right Price".

#### 4.0 **EXPECTED BENEFITS**

- 4.1 The revised Policy continues to support the Council's digital agenda by encouraging applicants to self-serve.
- 4.2 The partial relaxation of qualification criteria is intended to increase the number of applicants on the Housing Register which will support additional social housing being delivered in the district from Registered Providers.
- 4.3 Social housing properties are used effectively, for example ensuring that properties with adaptations are only let to households that need the adaptations, rather than removing expensive equipment from properties
- 4.4 To reinforce the positive characteristics of local people to engage in finding their own solutions to housing problems and, to become independent and resilient.

#### 5.0 **IMPLICATIONS**

In preparing this report, the report author has considered the likely implications of the decision - particularly in terms of Carbon Footprint / Environmental Issues; Constitutional & Legal; Contracts; Corporate Priorities; Crime & Disorder; Data Protection; Equality & Diversity/Human Rights; Financial; Health & Wellbeing; Reputation; Risk Management; Safeguarding; Staffing; Stakeholders/Consultation/Timescales; Transformation Programme; Other. Where the report author considers that there may be implications under one or more of these headings, these are identified below.

##### 5.1 **Constitutional & Legal**

- 5.1.1 Housing matters, including this policy, are executive functions and are therefore a matter for the Cabinet to determine.
- 5.1.2 This policy has been reviewed by Housing solicitors, Capsticks. Further checks were conducted by Capsticks in December 2020 following MHCLG issuing new allocations guidance on 31 December 2020 in response to the UK leaving the EU. A further check on this section of the policy will be completed before the report is presented to Cabinet.
- 5.1.3 S166A of the Housing Act 1996 requires local housing authorities to consult on major changes to its allocations policy. We have informally sought feedback from partner Registered Providers, however appropriate formal consultation will be undertaken following approval of this Policy by Cabinet.
- 5.1.4 Information sharing agreements will be entered into with each Registered Provider in order for the Council to share information on prospective tenants.

5.1.5 It is proposed that approval of minor changes following consultation are delegated to the Housing Landlord Services Manager in consultation with the Portfolio Holder for HRA & Private Sector Housing. This will also for any further immigration changes to be implemented as a result of the UK leaving the EU and any minor changes to be made following formal consultation with Registered Providers.

## 5.2 **Corporate Priorities**

5.2.1 This policy supports the following corporate priorities:

- Your home – mitigating and preventing households becoming homeless by managing tenancies effectively, addressing housing need earlier (by allowing greater number of households to qualify to access the Register) and being a landlord of choice
- Your place – managing estates within communities to ensure they are attractive places to visit, live and work
- Your health and wellbeing – assessing vulnerable tenants regularly and referring to partner agencies to influence and lead early intervention activities to support, reduce and prevent complex needs. Delivering sustainable tenancies.
- Our Council – ensuring that Officers report and manage concerns regarding safeguarding and modern day slavery, making us a landlord of choice.

## 5.3 **Equality and Diversity / Human Rights**

5.3.1 The Council promotes equal opportunities and aims to implement and maintain services that ensure no applicant is treated unfairly on the grounds of age, gender identity, marital status, pregnancy or maternity, sexual orientation, race, religious belief or disability or disadvantaged by the application of criteria that has a direct or indirect discriminatory effect that cannot be justified by law. An equality and impact assessment has been completed.

5.3.2 Preference for allocations will be given to applicants in the reasonable preference categories as per the Housing Act 1996 and local lettings policies will not discriminate unjustifiably, directly or indirectly, on equality grounds.

5.3.3 The requirement to apply online may impact some community groups who are not IT enabled. This is mitigated by arrangements in place to support those households who may not have access to technology to apply online. An example of this is the computer facilities available in the Priory Road reception area as well as the ability for Housing Officers to take telephone applications/submit applications on behalf of vulnerable individuals that have no family/support agencies to assist.

5.3.4 We will ensure that applicants are made aware of the consequences of refusing an offer of accommodation. The refusal will not count where it is determined that the accommodation offered is not suitable.

5.3.5 Applicants that are threatened with homelessness/homeless will be subject to one offer in locations deemed appropriate by the Housing Officer. This is due to the severity of the housing situation and the urgency to secure accommodation. Suitability of offers will be assessed in line with the Housing Act 1996.

5.3.6 Advice and assistance is available to ensure that the Allocations Policy is accessible for all applicants. Information can be translated or made available in different formats, such as large print, upon request.

5.3.7 There is an allowance for housing related debt to be disregarded where there is evidence of genuine financial hardship or an overriding housing need, this includes those financially impacted by COVID-19.

## **5.4 Health & Wellbeing**

- 5.4.1 Ensuring that social housing is responsibly allocated will support the health and wellbeing of the residents of South Holland.
- 5.4.2 This policy allows for adapted properties to be let those in need of the adaptations as a priority regardless of their housing need priority. This ensures best use of adaptations and use of Disabled Facilities Grant funding.

## **5.5 Reputation**

- 5.5.1 The revised approach to the policy will enforce the change that the Council has adopted towards residents having personal responsibility for their situation. Setting higher expectations of applicants will assist in promoting that change in culture.

## **5.6 Stakeholders / Constitution / Timescales**

- 5.6.1 Internal feedback has been sought from the Strategic Housing Manager and the Housing Options Manager.
- 5.6.2 The policy and proposed changes were presented to Housing Officers on 29 September 2021. Feedback was very positive. Language in the policy was amended following feedback, employment definition tightened and additional categories included to reflect household's staying with family/friends with no security of tenure.
- 5.6.3 The policy and changes were presented to the Portfolio Holder for HRA and Private Sector Housing, the Portfolio Holder for Assets and Planning, and the Portfolio Holder for Finance on 18 December 2020. It was requested that further consideration was made regarding the definition on household income and reducing the threshold originally proposed.
- 5.6.4 Members have been informally consulted on the key changes proposed. Feedback was very positive with questions raised about the approach regarding the letting of new developments. Officers have had further consideration regarding this section of the policy and a worked example was presented to Policy Development Panel (PDP). The recommended option of letting new developments to a mixture of bands 1 and 2 (50:50) was supported by PDP. This option is recommended by Officers because:
- Band 1 cases will have the most urgent housing need and their circumstances will have been fully investigated and evidenced by Officers.
  - the majority of existing social housing tenants are likely to be placed in band 2. Councillors suggested increasing the number of properties let to existing social housing tenants (currently living in the district) as we are aware of their tenancy conduct and additional checks are carried out before they can access the Register.
- The proposed option is different to how new developments are let under the current policy and Officers anticipate that the changes will deliver a sustainable community that will integrate into the wider community as the individuals from these two bands will have a proven history of managing their housing successfully.
- 5.6.5 Informal feedback was sought from partner Registered Providers and stakeholders in Autumn 2019. Formal consultation with partner Registered Providers will be sought following approval of Cabinet.

## **6 WARDS/COMMUNITIES AFFECTED**

- 6.1 All wards are affected.

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Background papers:- None

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**Key Decision:** Y – the policy will have a significant effect on communities in two or more Wards of the Council.

**Exempt Decision:** N

**This report refers to a Mandatory Service.**

**Appendices attached to this report:**

Appendix A Housing Allocations and Lettings Policy  
Appendix B Summary of proposed changes shared with Members as part of informal consultation  
Appendix C Worked example for allocating properties in new developments