

---

Meeting	Cabinet
Date	24 September 2013
<b>Subject</b>	<b>Amendments to Housing Allocations Scheme and the Introduction of a Placements Policy</b>
Report of	Cabinet Member for Housing
Summary	This report seeks approval for a revised Housing Allocations Scheme and introduction of a Homelessness Placements Policy following a period of consultation which ended on 7 August 2013.

---

Officer Contributors	Pam Wharfe, Director for Place Paul Shipway, Head of Strategy and Performance Chloe Horner, Housing Strategy and Business Improvement Manager
Status (public or exempt)	Public
Wards Affected	All
Key Decision	Yes
Reason for urgency / exemption from call-in	N/A
Function of	Executive
Enclosures	Appendix 1 - Summary of changes Appendix 2 - Final draft housing allocations scheme Appendix 3 - Final draft placements policy Appendix 4 - Equalities impact assessment Appendix 5 - Summary of online survey results Appendix 6 - Report on focus group Appendix 7 - Summary of other consultation responses
Contact for Further Information:	Chloe Horner, Housing Strategy and Business Improvement Manager, <a href="mailto:chloe.horner@barnet.gov.uk">chloe.horner@barnet.gov.uk</a> , telephone: 020 8359 4775

## **1. RECOMMENDATIONS**

- 1.1 That approval is given to the amended Housing Allocations Scheme as set out in Appendix 2.**
- 1.2 That approval is given to the new Placements Policy as set out in Appendix 3.**
- 1.3 That the policy is reviewed after it has been in operation for 12 months and any further changes reported back to Cabinet.**
- 1.4 That the Director for Place is instructed to implement the new policy as soon as is practicable.**

## **2. RELEVANT PREVIOUS DECISIONS**

- 2.1 Cabinet approved the existing Housing Allocations Scheme on 10 January 2011 (decision item 6) following an extensive period of consultation.
- 2.2 Following a formal 6 month review, Cabinet approved revisions to the Scheme on 4 April 2012 (decision item 5).
- 2.3 The Delegated Powers Report number 1873 on 27 November 2012 approved some further minor changes in relation to the Homelessness (Suitability of Accommodation) (England) Order 2012.
- 2.4 Cabinet approved the consultation on the proposed amendments and the provision of a Placements Policy on 24 June 2013 (decision item 6).

## **3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS**

- 3.1 The Council's Corporate Plan 2013/16 includes as a priority outcome "To maintain the right environment for a strong and diverse local economy". Within this, the Council is committed to reduce the numbers of households in expensive emergency temporary accommodation. Barnet is a popular place in which to live and the revised Housing Allocations Scheme and the proposed Placements Policy will provide a more efficient housing service with better outcomes for customers in high housing need as well as enabling the Council to discharge its duty to homeless households into the private rented sector housing.
- 3.2 The Council's Housing Strategy 2010 to 2025 identifies the importance of helping more people in low paid employment and training to gain access to social housing under the objective to "Promote mixed communities". The Strategy also recognises that the private rented sector can be a positive housing choice for people in housing need and that the Housing Allocations Scheme should reflect that.

- 3.4 By ensuring that the limited supply of council housing is used effectively, the revised Housing Allocations Scheme complements the Council's Local Tenancy Strategy which has introduced the use of flexible tenancies for council homes and encourages households to become more self sufficient.
- 3.5 Welfare reform means that households who are not working will not be able to receive more in benefits than the average wage of those in work. This will mean that some households will have to be offered homes in more affordable areas outside of the borough. The Homelessness Placements Policy clarifies what the Council will take into account when it discharges its homelessness duty to households applying under Part VII of the Housing Act 1996.

#### **4. RISK MANAGEMENT ISSUES**

- 4.1 The Council could face legal challenges to decisions that it makes under the revised Housing Allocations Scheme. This risk has been mitigated by undertaking consultation with stakeholders, in particular Housing Association partners and community representatives in the voluntary sector. The Council has also consulted with households who have applied to the Council for housing and may be affected by the proposed amendments.
- 4.2 The Council will need to allow for further adjustments to the Scheme once it is operating, to take account of any challenges that are made on a case by case basis.
- 4.3 The Council could face challenges when discharging its homelessness duty under the provisions of the Placements Policy.

#### **5. EQUALITIES AND DIVERSITY ISSUES**

- 5.1 The Council has undertaken a full Equalities Impact Assessment (see Appendix 4) into the proposed amendments to the Housing Allocations Scheme and the introduction of a Placements Policy.

##### **One offer only policy**

- 5.2 The equalities assessment has indicated that the main issues for the one offer only policy are related to age and disability. Data on property refusals has shown that older people aged over 55 are more likely to refuse an offer of accommodation and people aged 16 to 44 are less likely to refuse an offer of accommodation. Older people may have more specific requirements in a property, for example no stairs. These will be picked up in the full housing needs assessment of their circumstances before a suitable property is offered to them.
- 5.3 The data on disability does not indicate a specific problem for disabled applicants in relation to the one offer only policy.
- 5.4 It will be important to communicate the one offer only policy to applicants so that they can thoroughly consider the suitability of the property they are offered when they view it.

- 5.5 All applicants can request a review of their offer if they feel it is unsuitable.

### **Placements Policy**

- 5.6 Although the Council does not currently operate a Placements Policy for discharging its homelessness duty into the private sector outside of the borough it does place households into temporary accommodation inside and outside the borough. The key equalities question in deciding on a location is that an applicant's individual circumstances have properly been considered. All properties will be assessed according to the quality of accommodation, its affordability and proximity to essential services.
- 5.7 It will be important to continue to monitor the equalities impacts of the amendments going forward to ensure that protected groups are not adversely affected.

## **6. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)**

- 6.1 There is a limited supply of social housing in Barnet. Applications for housing have increased along with acceptances and admissions to Temporary Accommodation (TA). In 2012/13 year, there were 586 homeless acceptances and 852 TA admissions. However, there were only 692 social housing units available to let during the year and not all of these would go to homeless applicants. The Council is therefore reliant on the use of housing in the private rented sector to meet its housing obligations.
- 6.2 It has, however, become increasingly difficult to procure accommodation in the private sector at Local Housing Allowance rates, as rents in Barnet and London have continued to increase. This has resulted in a significant increase in the use of emergency TA, often at a cost that can not be fully met through the housing benefit system, resulting in a pressure on the Council's General Fund budget. In 2012/13 year, 405 such units had to be procured at a cost of £1,025,517. The proposed amendments to the Housing Allocations Scheme and introduction of a Placements Policy are intended to increase the Council's ability to place households into more affordable accommodation outside of the borough, either as TA or when discharging homeless duty into the private rented sector.
- 6.3 The introduction of the welfare benefit cap from August 2013 means that some households will not be able to afford the rents charged in Barnet and other parts of London for temporary accommodation and private rented sector homes even where these fall within local housing allowance levels. There would potentially be further increased costs to the Council if it did not adopt the proposed amendments to the Housing Allocations Scheme or operate a Placements Policy when discharging homelessness duty into the private sector. In these circumstances the Council would have to consider providing a subsidy for households placed in the private sector locally and subject to the Overall Benefit Cap.
- 6.4 Costs in terms of implementing the amendments will be contained within existing Barnet Homes budgets.

## 7. LEGAL ISSUES

- 7.1 The Council has a duty pursuant to section 166 Housing Act 1996 to allocate its social housing in accordance with its Allocations Policy. Section 166A sets out a list of applicants entitled to a degree of preference in the Policy. The Localism Act 2011 has allowed greater flexibility to Local Authorities in terms of allocating into the private sector.
- 7/2 The duties of the Council in respect of homeless applicants is contained in Part VII of the Housing Act 1996. The Localism Act 2011 has also allowed greater flexibility in discharging this duty by use of the private sector. The Homelessness (Suitability of Accommodation) (England) Order 2012 contains various requirements relating to the suitability of accommodation.
- 7.3 Minor changes have been made to the Housing Allocations Scheme to ensure it is as robust to challenge as possible.
- 7.4 It is considered that the legal requirements on consultation under S167 (7) Housing Act 1996 have been complied with.

## 8. CONSTITUTIONAL POWERS (Relevant section from the Constitution, Key/Non-Key Decision)

- 8.1 Part 3 of the Constitution sets out the executive functions. The Cabinet Member for Housing is the lead on budget and policy formulation and implementation relating to housing under section 4.2, Responsibility for Functions.

## 9. BACKGROUND INFORMATION

- 9.1 The Council's Housing Allocations Scheme is used to determine which households are offered housing assistance.
- 9.2 The current Scheme introduced in April 2011 saw the closure of an open waiting list and the introduction of four simple bands<sup>1</sup> to replace a complicated points system. The Scheme also recognises the contribution to the community from people who work, volunteer, are training for employment, foster caring and former service personnel. Banded applicants may also be offered a home in the private rented sector where this meets their housing needs.
- 9.3 Since the introduction of the current Housing Allocations Scheme in 2011 pressure on housing in the borough has increased, with the demand for homes outstripping supply, largely due to market conditions. At the same

<sup>1</sup> Bands:

Band 1	Reasonable preference:	Urgently need to move
Band 2	➤ Homeless	Need to move plus community contribution
	➤ Unsanitary/overcrowded housing	
	➤ Medical/welfare disability	
Band 3	➤ Hardship reasons	Need to move only
Band 4	People who would fall into a higher band but have reduced preference	

time, changes to local housing allowances have meant that lower income households have found it more difficult to secure homes in the private rented sector. As a result, the number of accepted homeless households has increased from 339 in 2011/12, to 586 in 2012/13, whilst Barnet Homes have found it increasingly difficult to secure homes in the private rented sector to meet this increased demand, resulting in an increase in the use of emergency temporary accommodation.

- 9.4 Emergency temporary accommodation is procured on a nightly paid basis to meet the immediate needs of homeless households where a longer term solution is not immediately available. As the demand from homeless households has increased and the overall supply of properties available for the Council to allocate to has fallen, more households have to be placed in this form of accommodation, the majority of which is not within Barnet. The number of households in emergency temporary accommodation has increased from 366 in April 2012 to 630 in June this year, an increase of 72%. The Council faces a major challenge as this accommodation is expensive and has become increasingly difficult to procure within the housing benefit subsidy levels. Where rents are above the housing benefit subsidy limit there is a direct cost to the Council, which amounted to an additional £1,025,517 in 2012/13 and will continue to increase if more affordable alternatives are not found.
- 9.5 Further changes to the way homes are allocated have now been consulted on. The key amendments are a change to one offer of re-housing only and insofar as homeless applications are concerned the introduction of a Placements Policy.

#### **One offer only**

- 9.6 The Allocations Scheme currently allows applicants to refuse the first reasonable offer of a property regardless of whether they appeal successfully against it and then have a further choice from the property pool. Applicants who also refuse a second reasonable offer are removed from the banding system for 12 months, unless there are changes to their household's circumstances that merit a full review of their housing need.
- 9.7 174 households refused their first reasonable offer accommodation during the past year, between 1 April 2012 and 31 March 2013. This represents 22% of households who were banded during the year and suggests that many households are delaying acceptance of an offer in the hope that a better property will become available. There are only on average 600 lettings for the Council to make in any given year so 174 households refusing properties causes a delay on them being successfully let at a time when there is a high demand for housing overall.
- 9.9 It is proposed, therefore, that applicants will have their housing need assessed and be offered one property which they will be expected to accept or risk being removed from the banding system.
- 9.10 Applicants will still have the option to appeal against an offer if they consider it to be unreasonable, and will receive another offer if their appeal is successful.

## Placements Policy

- 9.11 Between April 2012 and March 2013, 60% of households newly placed into temporary accommodation following homelessness applications were housed in properties located outside of the borough. It has become increasingly difficult for the Council to secure affordable housing in the private sector so it is important for the Council to have the ability to house people in more affordable locations when it is appropriate for it do so.
- 9.11 Changes have already been made to the Housing Allocations Scheme in respect of the required condition of accommodation offered in the private rented sector and also on offers discharging duty to homeless households by offering them a home in the private rented sector<sup>2</sup>.
- 9.12 In addition to these changes, reference needs to be made to the suitability of accommodation in terms of whether it is affordable to the household concerned, particularly to take account of the Overall Benefit Cap. This will limit benefits for a couple or single parent at £500 per week and a single person without children at £350 per week. This is particularly important for households who are placed in the private rented sector when this is a placement which discharges the Council's homelessness duty.
- 9.13 A draft Placements Policy (attached as Appendix 3) has been produced to set out how the Council will make use of the private sector in meeting its legal duties to homeless households, taking into account housing market and supply issues.
- 9.14 The Policy sets out the key tests that will be used to ensure that the Council makes suitable offers of accommodation. These include:
- ensuring that a property meets the standards sets out the Suitability Regulations
  - ensuring that the circumstances of the applicant have been considered in terms of the location of the property, and
  - ensuring that the applicant is able to afford to live in the property taking into account their income once they have paid the rent. Accommodation may be located outside of the borough if this is more affordable.
- 9.15 London Councils is developing guiding principles for homeless placements outside of London to which all of London's boroughs will be encouraged to sign up to. It is expected that the majority of boroughs will have to make placements outside of London because of high rents in the capital. The principles are currently in draft form, but include:
- notification arrangements- the placing authority must notify the receiving authority of all accommodation placements
  - paying a fair rent- the placing borough must ensure that the rent that they pay for accommodation takes into account what the receiving authority is prepared to pay and is not at a level that is likely to encourage the inflation of local rents

---

<sup>2</sup> These changes were as a result of the Suitability Regulations that came into force on 9 November 2012.

- treatment of vulnerable families- the placing borough will only place families outside of London if it is necessary, safe and appropriate to do so.

### **Other amendments**

- 9.16 Other minor amendments were also consulted on. These are mainly areas where clarification is required, for example, clarifying that ground floor accommodation will usually be prioritised for applicants who have been identified as requiring level access accommodation. A full list of amendments is contained in Appendix 1.

### **Consultation**

- 9.17 The Council consulted widely on the proposed amendments during a six week consultation period. The consultation included the following:
- Emailing 800 Barnet Homes tenants inviting them to comment on the proposals
  - Emailing 40 housing associations operating in the borough inviting them to comment and presenting the proposals at the Barnet Housing Association Liaison Group. Housing associations were supportive of the proposals and say that they will result in reduced void times for social housing
  - Holding a housing forum to discuss the proposals. This was attended by 30 representatives from housing associations and community organisations as well as representatives from Children's Services and Adults and Communities. Attendees were broadly supportive of the proposals as long as homes are suitable and consideration is given to an individual applicant's needs
  - Holding two independently facilitated focus groups for residents and housing applicants
  - Online survey.
- 9.18 The online survey was completed by 90 people, including residents from all tenures and representatives of local organisations. Respondents were asked if they agreed or disagreed with the key proposals. Views were relatively evenly spread, as can be seen from the results in Appendix 5. More respondents disagreed (47.8%) than agreed (41.1%) with one offer only proposal but the difference between the two sides was only 6 people. More respondents agreed (48.8%) than disagreed (43.0%) with discharging duty and the Placements Policy. Here the difference between the two sides was 5 people.
- 9.19 30 people were invited to attend the independently facilitated focus groups and they were attended by 13 residents. The focus group consisting of citizen's panel members was broadly in favour of the key proposals. The focus group consisting of housing applicants was not in favour because applicants were concerned that they may be forced into unsuitable accommodation. Applicants would be more reassured with better information about the property, including running costs, and through better communication with their housing officer. A summary report of the views of the focus group members is contained in Appendix 6.



9.20 A number of other responses to the consultation were received and these are summarised in Appendix 7.

9.21 Overall the consultation responses have indicated broad support for the proposals from partner organisations and residents with the assurance that individual circumstances of applicants will be taken into account. Three issues have been raised through the consultation requiring minor amendments to the final version of the Housing Allocations Scheme. These are:

- Allowing council tenants in rent arrears and affected by the under-occupancy charge to trade down to a smaller property where they can pay the rent as long as they have made a reasonable effort to pay any shortfall
- Including two further classes of person that do not qualify for a banding- applicants that have surrendered their council property and applicants who do not qualify under housing law because they have used false information.

## **10. LIST OF BACKGROUND PAPERS**

10.1 None

<b>Cleared by Finance (Officer's initials)</b>	<b>MM</b>
<b>Cleared by Legal (Officer's initials)</b>	<b>BH</b>