

	Housing Committee 27 October 2014
Title	Final Approval of Proposed Changes to Housing Allocations Scheme
Report of	Lead Commissioner for Housing and Environment
Wards	All
Status	Public
Enclosures	Appendix 1- Summary of Proposed Changes Appendix 2- Draft Housing Allocations Scheme Appendix 3- Equalities Impact Assessment Appendix 4- Survey Responses Appendix 5- Written Responses
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Summary

The Housing Allocations Scheme sets out how the Council allocates council housing, housing association rented and private rented sector homes in the borough. There are a number of changes proposed, in particular, requiring applicants to have lived in the borough for at least five years before they qualify for assistance. The proposed changes have been consulted on. This has included a survey of the Council's Citizens' Panel and of existing housing applicants. Registered providers have also been invited to comment on the proposals. The Council has considered the responses to the consultation and found that there is broad agreement with the proposals. Housing Committee is now asked to approve the changes to the Housing Allocations Scheme.

Recommendations

1. That the Housing Committee approves the proposed revisions to the Council's Housing Allocations Scheme, following on from a period of public consultation.

1. WHY THIS REPORT IS NEEDED

- 1.1 The Council has consulted with housing applicants, Citizen's Panel members, registered providers and other stakeholders on proposed changes to the Housing Allocations Scheme.
- 1.2 Barnet is an area of high demand for housing. As can be seen from Table 1, below, the number of households presenting as homeless and the number of households being accepted as homeless has increased significantly over the past five years. The number of new temporary accommodation admissions has also risen. Although there was a reduction of 34 households presenting as homeless in 2013/14, the number of homeless acceptances increased by 80.
- 1.3 The key reasons for the increased demand on services include:
- Increased housing costs combined with restrictions on housing benefit has resulted in more households moving out of Central London to Outer London boroughs, including Barnet. This is evidenced by a significant increase in the number of households claiming housing benefit in Barnet and a fall in housing benefit claims in Central London.
 - The number of households seeking help with their housing has been increasing throughout London because of the high cost of owning or renting a home.
 - Private sector rents have increased faster in Barnet than in other parts of London and they are the 4th highest out of 16 Outer London boroughs, meaning that more low-income households may approach the Council for assistance with their housing.

Table 1- increased total demand on housing services

	2009/10	2010/11	2011/12	2012/13	2013/14
Homeless presentations	643	867	1,113	1,131	1,097
Homeless acceptances	231	252	339	591	671
New temporary accommodation admissions	364	509	692	846	823

- 1.4 Housing supply has not kept up with increased demand for housing services. As can be seen from Table 2, below, the number of properties available for the Council to allocate reduced from 2009/10. This has been particularly the case for private rented sector homes. As a result of better services and incentives introduced through the Let2Barnet service at Barnet Homes, the number of private rented properties available has increased significantly since 2012. This has resulted in more households being rehoused in 2013/14 than in the previous two years.

Table 2- Total supply of housing

	2009/10	2010/11	2011/12	2012/13	2013/14
Council	457	412	434	375	409
Housing association	249	312	498	307	342
Private rented	715	404	121	172	324
Total	1,421	1,128	1,053	854	1,075

1.5 New households who apply for rehousing are competing for limited social housing along with accepted homeless households placed on the regeneration estates in long-term temporary accommodation. This impacts the Council's ability to offer housing to people who need to be decanted from the regeneration estates.

1.6 The proposed changes to the scheme that have been consulted on are:

- Applicants will generally have to live in the borough for at least five years before they qualify for assistance. The Council will continue to offer assistance to households who are statutorily homeless and have less than five years residence.
- Applicants who refuse a reasonable offer of accommodation will be excluded from the scheme for two years rather than one year.
- Households at risk of violence will be provided with emergency accommodation so they are placed out of danger.
- Changes to community contribution qualification criteria, in particular including increasing the number of hours that an applicant has to work, volunteer or undertake training to 16 hours per week and removing requirements for young people who are leaving care.
- Service tenants with more than 15 years' service will not be offered more bedrooms than are required as is currently the case.

1.7 The consultation has confirmed that there is broad agreement from residents and registered providers on the proposed changes. It is recommended that the Housing Committee approves the scheme as set out in Appendix 2 which includes an amendment to the residential connection criteria set out at paragraph 2.4 below.

2. REASONS FOR RECOMMENDATIONS

Five Years Residential Connection

2.1 It is proposed that households should live in the borough for at least five years before they qualify for housing with a residential connection. Analysis of customers banded during quarters 3 and 4 in 2012/13 demonstrated that 17% of applicants would not have been placed in any band if local connection was five years. Across a year, potentially 137 households would be excluded from the allocations scheme. This would increase the opportunity for long-term regeneration non-secure tenants who the Council has previously accepted a homelessness duty to be shortlisted for social housing when they are

decanted. Otherwise, such households will be offered further temporary accommodation and the Council will continue to have a homeless duty.

- 2.2 A number of other boroughs, including the neighbouring councils of Brent, Harrow and Hertsmere as well as Ealing and Hammersmith & Fulham have already adopted a residential connection of five years. Hillingdon and Barking & Dagenham councils have adopted a residential connection of 10 years.
- 2.3 Results of the consultation have found that there is broad agreement that the allocations scheme should prioritise housing for established local residents. This is the case for residents of the borough as whole and housing applicants in particular. In the survey of the Citizen's Panel residents, 77.8% of respondents agreed that applicants should have to live in the borough for five years, with 13.9% disagreeing. In the survey of existing housing applicants, 46.38% agreed with the proposal and 33.33% disagreeing.
- 2.4 Following on from the consultation the residential connection section of the allocations scheme has been amended slightly to allow for some discretion to band and award residential connection to out of borough placements by Adults and Children's Services and for housing association tenants when the Council can make use of the resulting void. The change will also cover exceptional circumstances, for example high risk and high support Domestic Violence cases.

2 Year Exclusion for Refusing a Reasonable Offer of Accommodation

- 2.5 Currently applicants who refuse one reasonable offer of accommodation are excluded from the scheme for one year. It is proposed that this is increased to two years. Applicants will continue to have the right to appeal if they feel that the offer of accommodation is not suitable. In the past six months 25 housing offers were refused by applicants. Of these, seven decisions have been reviewed (the stage after the first appeal), of which two were found in favour of the customer. Increasing the exclusion period to two years will help convey the reality that there is very limited social housing supply and that turning down a suitable offer is a serious decision which has significant consequences.
- 2.6 The results of the Citizen's Panel survey suggests that 67.9% of respondents agreed that applicants should be excluded from the allocations scheme if they refuse a reasonable offer of accommodation, with 22% disagreeing. Existing applicants are concerned about this proposal as they are worried that they will be forced to accept a property that does not meet their needs. In the survey of existing applicants, only 20.98% agreed with this proposal with 62.9% disagreeing. Given the lack of housing supply it is recommended that this proposal is taken forward. Applicants will have a right to a review if they think that an offered property is unsuitable.

Community Contribution

- 2.7 It is proposed that workers should work for at least 16 hours per week or 64 hours per month. This is based on the number of hours per week a single person or single parent has to work in order to be able to claim Working Tax Credit and be exempted from the overall benefit cap. This can be verified

through payslips, or in the case of self-employed applicants, through invoices for work.

- 2.8 It is also proposed that the hourly requirements for applicants who volunteer or are training for employment are also increased from 10 hours per month to 16 hours per week or 64 hours per month. Where a training course is for less than 16 hours per week, an applicant will be expected to make up the hours by volunteering. There is discretion available within the scheme to reduce these requirements where, for example, disability or age makes it more difficult for an applicant to work or volunteer for this long.
- 2.9 Applicants on maternity leave who intend to go back to work qualify for community contribution. In line with the new national standards on parental leave the scheme should be amended to include applicants on paternity leave who intend to go back to work.
- 2.10 Following on from an audit and mock Ofsted inspection of the Children's Service, it is proposed that all young people leaving care¹ are placed in band 2 even if they do not make a community contribution. This is to prevent young people not engaging in employment, education and training from remaining in temporary accommodation for long periods. The Council's Local Tenancy Strategy will then encourage these young people to engage in education employment, and training when they move into council housing.
- 2.11 The consultation has suggested that there is broad agreement for the proposed changes to community contribution. In the results of the Citizen's Panel survey 82.6% agreed with the proposal to extend the working, training and volunteering requirement to 16 hours per week with 9.2% disagreeing. 73.4% agreed that applicants on paternity leave should be awarded community contribution, with 9.9% disagreeing. 62.8% of Citizen Panel respondents agreed that young people leaving care should be placed in band 2 even when they do not make a community contribution. with 25.9% disagreeing.

Households at Risk of Violence

- 2.12 The Council's priority is to ensure that people at risk of violence at home are moved quickly and removed from the immediate danger that they face in a way that supports the vision set out in the Barnet Domestic Violence and Violence against Women and Girls Strategy (DV and VAWG) 2013-2016. The DV and VAWG strategy aims to ensure that people who suffer from domestic violence get the support they need through partnership, prevention, provision and protection. In particular, the housing allocations scheme will ensure that there is provision of alternative and safe accommodation for the household away from the danger.
- 2.13 The most immediate mechanism for doing this is to place people in emergency accommodation so that they are removed from the risk and the Council will therefore prioritise such cases by placing them in emergency

¹ The Council has duties as corporate parent towards young people under 21 leaving care

accommodation and then assist them in finding a safe more permanent solution. To this end Band 1 will only be used for households at risk of violence in exceptional circumstances.

- 2.14 In addition, Barnet Homes will continue to work in partnership with other agencies, including the Multi-Agency Risk Assessment Conference to ensure that high risk of harm cases are supported into safe accommodation. Where it is appropriate the Barnet Homes Sanctuary Scheme helps households remain in their own home, if it is safe to do so, by increasing the security at their home so helping in the prevention of domestic violence.
- 2.15 83.1% of Citizen's Panel members who responded to the survey agreed with this proposal and 9.2% disagreed. Concerns have been raised in the consultation about how this may affect the tenancy rights of existing secure tenants living in council or housing association rented housing. Where the applicant is an existing secure tenant they would not necessarily have to apply for rehousing and they will not have to surrender their tenancy. Rather their housing officer can highlight the case as having an exceptional need to move and apply to have the tenant moved as a management transfer or through the North London reciprocal arrangements as well as the existing mutual exchange arrangements. Once moved the tenant will sign a secure tenancy on the same conditions as the previous tenancy that they held.
- 2.16 For applicants who are currently living in the private sector they will be provided with safe temporary accommodation and depending on the outcome of their banding assessment and the housing that is available will be offered housing in the social or private sector.
- 2.17 The Housing Allocations Scheme includes a discretionary facility for placing applicants in Band 1 in exceptional circumstances, and this could be used for housing applicants in the most severe cases of domestic violence, regardless of tenure.
- 2.18 Households who have already been accepted for rehousing under the council's allocations scheme prior to their needing to move because of threats of violence will not be disadvantaged, and housing officers will use existing discretion within the scheme to ensure this.

Service Tenants

- 2.18 Former service tenants with 15 years' service who apply for rehousing at the end of their employment can currently be allocated one more bedroom than they need. Given the shortage of housing and in accordance with government policy on spare room subsidy, it is more appropriate to allocate according to bedroom need. There are currently 30 Barnet Homes service tenants in post. Of these 14 have already served for 15 years and of this smaller group, five have an expected retirement date within the next five years.
- 2.19 In the Citizens Panel Survey 83.5% of respondents agreed with this proposal and 9.3% disagreed. Existing service tenants who work for the Council and Barnet Homes have also been written to as part of the consultation and there were no specific concerns raised about this proposal.

- 2.20 There are a number of other minor operational amendments to the scheme. These are listed in Appendix 1.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 The alternative option is not to change the scheme. This would mean that the Council would continue to see more households qualifying for housing assistance than there are homes available to allocate to. New households in the system would be competing for a limited amount of homes with households who have to be decanted from the regeneration schemes. This could have an impact on the progress of regeneration. Also there would be very limited movement from the lower bands into settled accommodation and this is costly for the council as it has to fund the temporary accommodation.
- 3.2 The Council has also considered other options to increase the residential connection criteria to three and four years as well as the five years proposal. This would mean that slightly fewer applicants would be excluded from the scheme. Using the sample of applicants banded in the six months to March 2014 and projecting this across a whole year, potentially 92 applicants would be excluded if residential connection was increased to three years and 110 applicants would be excluded if residential connection was increased to four years. Given the high demand for housing in the borough and limited housing supply it is recommended that the residential connection is increased to five years as planned.
- 3.3 However the scheme will be kept under review and changes will be made in the future to ensure that it continues to meet housing needs in the borough.

4. POST DECISION IMPLEMENTATION

- 4.1 Following on from approval by the Housing Committee, the Council will instruct Barnet Homes to implement the approved scheme as soon as practicably possible.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 The Council's Corporate Plan 2013/16 includes as a priority outcome "To maintain the right environment for a strong and diverse local economy". Barnet is a popular place in which to live and has high demand for a limited supply of council and housing association housing. The Council has faced increasing costs of providing temporary accommodation to housing applicants. A key performance measure is to reduce the number of households placed in the most expensive emergency temporary accommodation to 500 per year.

- 5.1.2 The Council can offer more applicants re-housing by increasing the number of private sector properties available. This has been difficult to procure in recent years due to restrictions in local housing allowances and since the introduction of the overall benefit cap where many private sector properties are unaffordable to non-working benefit-reliant households. For 2014 the Council has introduced a performance measure to increase the number of private sector lettings to 315.
- 5.1.3 The Council is developing a new Housing Strategy to take account of the increased demand for housing in the borough. This is evident with higher house prices, higher rents and increased levels of homelessness and people in emergency temporary accommodation. Private rents in Barnet are beyond the reach of some low-income households and it may be necessary for them to consider moving to more affordable accommodation outside of the borough.

5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

- 5.2.1 There is a limited supply of social housing in Barnet. Applications for housing have increased along with acceptances and admissions to Temporary Accommodation. In 2013/14 there were 671 homeless acceptances and only 409 social housing units available to let during the year, not all of which would go to new applicants. The Council is therefore reliant on procuring homes in the private rented sector to meet its housing obligations.
- 5.2.1 It has become increasingly difficult to procure accommodation in the private sector at Local Housing Allowance rates. This has resulted in a significant increase in the use of emergency temporary accommodation², often at a cost that cannot be fully met through the housing benefit system, resulting in a pressure on the Council's General Fund budget. In 2013/14, 471 such units had to be procured at a cost of £829k (£1.418m including bad debt provision). At the end of May 2014, the average nightly rate for emergency temporary accommodation was £41.36 and average nightly rent that could be charged through the housing benefits system was £36.95 meaning a net average cost to the Council of £4.41 per night per unit. This has resulted in a significant increase in the use of emergency temporary accommodation. This has an impact on the General Fund.
- 5.2.3 Costs towards the consultation were contained within existing Council budgets

5.3 Legal and Constitutional References

- 5.3.1 The Council has a duty under section 166A (14) Housing Act 1996 to allocate to social housing in accordance with a published housing allocations scheme. Section 166A (3) specifies a list of applicants entitled to a degree of preference within the scheme. These are the reasonable preference categories. The Localism Act 2011 gives local authorities greater flexibility in terms of restricting access to the allocations scheme.

² In Barnet all emergency temporary accommodation consists of self-contained units which is paid for on a nightly basis

- 5.3.2 The Council's duties in respect of homeless applicants are contained in Part VII of the Housing Act 1996. The Localism Act 2011 has also allowed greater flexibility in discharging this duty by placing applicants into the private rented sector where particular requirements on property condition and location are met. These requirements are set out in the Homelessness (Suitability of Accommodation) (England) Order 2012.
- 5.3.4 The legal requirements of consultation under S166A (13) Housing Act 1996 have been complied with.
- 5.3.5 The Council's Constitution (Responsibly For Functions, Annex A) sets out the responsibilities of the Housing Committee which includes "to work with Barnet Homes, RSLs and social housing providers to ensure the optimum provision of housing and associated facilities for those who require social housing."

5.4 Risk Management

- 5.4.1 The Council could face legal challenges to decisions that it makes under the revised Housing Allocations Scheme. This risk is being mitigated by undertaking consultation with stakeholders, in particular Housing Association partners and community representatives in the voluntary sector. The Council will also consult with households who have been placed into a housing band and who may be affected by the proposed amendments.
- 5.4.2 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.

5.5 Equalities and Diversity

- 5.5.1 The 2010 Equality Act outlines the provisions of the Public Sector Equalities Duty which requires Public Bodies **to have due regard** to the need to:
- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010
 - advance equality of opportunity between people from different groups
 - foster good relations between people from different groups.
- 5.5.2 An equalities impacts assessment has been completed and is contained in Appendix 3. In summary, changes to the allocations scheme are required to ensure that scarce resources are allocated on a fair and consistent basis and to reflect changes in entitlement and bring Barnet into line with allocations policy in other boroughs. The data suggests that the proposals will have an unavoidable minimum negative impact because there is greater diversity amongst social housing tenants in comparison with the Barnet borough population and the diversity of applicants for social housing is greater still.
- 5.5.3 Therefore while preliminary indications suggest that the overall impact of these proposals is likely to result in a minimum negative impact, the full impact is being recorded as not known in order to continue to monitor the impact of

the changes. Any untoward trends will be followed up as the Council keeps the allocations scheme under regular review.

5.6 Consultation and Engagement

- 5.6.1 The Council has consulted on the proposed changes to the housing allocations scheme from 14 July to 31 September 2014.
- 5.6.2 Registered providers were consulted through the Council's Housing Association Liaison Group which was supportive of the proposed changes. The Communities Together Network was also engaged on the proposals.
- 5.6.3 The Council's Citizen's Panel was consulted through an online or postal survey asking for view on all the key proposals. 636 members of the Citizen's Panel responded to the survey. There was widespread support for the proposed changes.
- 5.6.4 Existing housing applicants were consulted through an online survey which focused on the main changes to affect them which are: increasing residential connection to five years and increasing exclusion from the scheme as a result of refusing a reasonable offer of accommodation to two years. 69 current applicants responded to the survey. There was support for the five years residential connection proposal but not for the two years exclusion proposal.
- 5.6.5 Appendix 4 contains the full results from the consultation.

6 BACKGROUND PAPERS

6.1 Relevant previous decisions are listed in the table below.

Item	Decision	Link
Cabinet 10 January 2011	Decision item 6- approved the existing scheme following an extensive period of consultation.	http://barnet.moderngov.co.uk/CeListDocuments.aspx?Committeeld=120&MeetingId=317&DF=10%2f01%2f2011&Ver=2
Cabinet 4 April 2012	Decision item 5- approved revisions to the existing scheme following a 6 month review	http://barnet.moderngov.co.uk/CeListDocuments.aspx?Committeeld=120&MeetingId=6792&DF=04%2f04%2f2012&Ver=2
Delegated Powers Report 27 November 2012	Approved further minor changes in relation to the Homelessness (Suitability of Accommodation)(England) Order 2012	http://barnet.moderngov.co.uk/documents/s6674/1873%20-%20Revisions%20to%20Housing%20Allocations%20Scheme.pdf
Cabinet 24 September 2013	Decision item 7- approved amendments to the existing scheme and the introduction of a placements policy	http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=120&MId=7464&Ver=4
Housing Committee 30 June 2014	Decision item 6- approved draft changes to the existing scheme and approved public consultation in the proposals	http://barnet.moderngov.co.uk/documents/s15739/Proposed%20Changes%20to%20Housing%20Allocations%20Scheme%20-%20Cover%20Report.pdf