

## Rother District Council

<b>Report to:</b>	Cabinet
<b>Date:</b>	12 June 2023
<b>Title:</b>	Housing Allocation Policy
<b>Report of:</b>	Joe Powell – Head of Service, Housing and Regeneration
<b>Cabinet Member:</b>	Councillor McCourt
<b>Ward(s):</b>	All
<b>Purpose of Report:</b>	To consider the recommendations arising from the Overview and Scrutiny Committee (OSC) meeting held on 5 June 2023, regarding proposed changes to the Housing Allocation Policy. The report and recommendations as presented to the OSC are reproduced below and the Minutes of that meeting will follow and (Appendix D) should be read in conjunction with this report.
<b>Decision Type:</b>	Key

### Overview and Scrutiny

**Recommendation(s):** It be **RESOLVED:** That the draft Consultation Questionnaire and the draft Housing Allocations Policy be approved for consultation with residents and wider stakeholders.

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### Introduction

1. The new draft Housing Allocations Policy (HAP) (Appendix A) provides a transparent framework for the effective and equitable allocation of social housing in the Rother District. It has regard to the statutory guidance as set out in s.196 of the Housing Act 1996 and the Localism Act 2011. In addition, the purpose of the HAP is to support Corporate Plan Priority to reduce the housing list, as well as the objectives of the Housing, Homelessness & Rough Sleeping Strategy 2019-24.
2. The overall aim of the HAP is to provide a framework for the equitable, effective and accountable allocation of social housing. Social housing is in very limited supply and accounts for only 10% of the total housing stock in Rother; this percentage is below the national average of 17%. Therefore, only those in the highest housing need, with a local connection to the area are likely to obtain social housing.
3. The demand for social housing continues to exceed supply, with the Council receiving on average 60 new housing register applications every month. There are a total of 2,053 households on the register which compares to only 218 available properties last year. This means that over 90% of households were unsuccessful in bidding for properties, of the 10% that were, the majority were homeless households to whom the Council owed the main housing duty.

4. Members will also be aware that since the COVID-19 pandemic there has been a significant increase in the number of households presenting to the Council as homeless, resulting in higher numbers of temporary accommodation (TA) placements, and associated costs. The revised HAP offers new approaches to the way in which social housing is allocated to provide a greater focus on the prevention of homelessness through the award of higher priority for households threatened with homelessness. In addition, the Council proposes to afford itself greater control in the allocation of social housing to those households whose needs are particularly urgent due to certain circumstances surrounding their homelessness, as well as their health or housing conditions.

## **HAP Development**

5. The current HAP was written in 2014 and subsequently reviewed in 2019. The revised HAP approved in 2019 was never formally implemented. There were several reasons for not fully adopting the 2019 HAP, including disruption to the service caused by the COVID-19 pandemic as well as more recent changes to the management of the Housing Needs and Solutions teams.
6. In developing the new draft of the HAP, a market research exercise was conducted where officers examined the policies of several other local authorities, under guidance from our Specialist Advisor within the Department for Levelling Up, Housing and Communities (DLUHC). The exercise helped us identify areas of good practice to support the development of a policy that better enables us to achieve our Corporate Plan priority to reduce the number of households on the Housing Register. We then held a multi-agency stakeholder collaboration event in which we reviewed the research undertaken and collaborated with one another to develop the draft HAP.
7. The purpose of the officer-led review and stakeholder collaboration event was to ensure that the draft HAP continues to meet its objectives effectively. The main objectives of the revised HAP are to:
  - continue to provide a transparent and clear method of awarding priority for social housing that meets the needs of local residents, particularly the most vulnerable;
  - ensure compliance with statutory obligations and changes in legislation, particularly regarding eligibility and the Homeless Reduction Act (2017);
  - reduce the number of clients on the housing register from its current total of 2072, in accordance with the stated Corporate Plan Priority, and the Housing, Homelessness and Rough Sleeper Strategy 2019-2024;
  - reduce the use of TA through improved homelessness prevention; and
  - ensure that households identified as having urgent housing needs due to their health or housing conditions are suitably prioritised.

## **Consultation**

8. The Council is obliged to consult local residents and other stakeholders on the proposed changes within the new draft HAP so these can be revised, refined and adjusted to best meet the needs of the community. The draft Consultation Plan can be found at Appendix B. The consultation will run for 8 weeks and will launch in June or July 2023. The Consultation Plan includes a table of the main

stakeholders that will be targeted, as well as the means by which they will be invited to contribute.

9. The consultation will invite stakeholders to complete a questionnaire that aims to capture feedback on the draft HAP, in a format that will allow us to assess levels of satisfaction with the proposals. The draft HAP Questionnaire can be found at Appendix C. The consultation responses will then be reviewed and adjustments will be made in collaboration with a core stakeholder group and the Portfolio Holder for Housing. We will then return to Council with a finalised HAP for formal adoption in the late summer 2023.

## **Changes to the Policy**

10. The remainder of the report summarises for Members the main changes proposed within the new draft HAP and the reasons for these changes.

### Prioritising households in most need

11. The draft HAP introduces a new 'Emergency Need' category. Households in this category will be afforded the highest priority as social housing has been deemed as the only viable option for them. All other housing allocations will be made utilising a Choice Based Lettings (CBL) system, which exists now, wherein households are prioritised in either Band A, B, C or D according to their level of housing need. Households are invited to bid for property that becomes available, which is then allocated according to the highest priority. The new Emergency Need category will provide greater flexibility than the current system, that is comprised of an exclusively Choice Based Lettings system, particularly in situations where there is an urgent or immediate need to provide assistance to relieve homelessness. The added flexibility for allocating housing to those most in need will allow the Council to better prevent homelessness and rehouse urgently those with exceptional health circumstances or experiencing severe levels of disrepair.
12. The next significant change to the draft HAP is to remove eligibility for the Housing Register to those who do not reside in the district. There are several proposed exemptions to this, including those who can evidence a need to either provide care and support to a family member or receive it; additional exemptions include care leavers, those requiring specialist hospital treatment and those who work in the district but are not resident. There are currently 509 households on the register who are not Rother residents and whose only local connection to the area is through a family member; it would significantly reduce the number of households on the register as well increase the chances for those remaining if these were removed.
13. To ensure that allocations are made to applicants with an identified housing need, all households currently in Band D – on the basis that they have no identified housing need - will be removed. There are 184 clients who have no other housing need other than a preference for sheltered accommodation. The proposed change means that applicants who are adequately housed and have no housing need will be removed, in line with the strategic aims of the HAP. The change will also reduce the number of clients on the Housing Register and therefore increase the chances for those remaining on it.

14. We propose to amend the current savings and income threshold to ensure that only applicants who do not have the resources to resolve their own housing situation are permitted to join the Housing Register. Instead of a fixed income threshold, household incomes will be assessed to establish whether it is reasonable for them to afford alternative accommodation in the private rented sector. As a guide, spending less than 32% of one's income in rent / mortgage payments would exclude a household from being eligible. The proposed changes also reduce the permitted savings threshold (currently £24,000) in line with capital sums for Universal Credit purposes which is currently £16,000. The Council will disregard disability payments for former members of the armed forces following discharge, Disability Living Allowance (DLA) payments, Personal Independent Payments (PIP) and applicants with significant mobility issues so this does not adversely affect their opportunity to find suitable accommodation.

#### Reduce TA use and prevent homelessness

15. The new HAP proposes to award priority to those at risk of homelessness and to whom the Council would owe a main homelessness duty if their homelessness was not successfully prevented. To qualify for the priority, applicants would have to be fully engaged with the Council and be completing the tasks outlined within their Personalised Housing Plan (PHP), which is designed to support applicants to secure alternative accommodation in the private rented sector. The change would also prevent vulnerable households, including those with children from the detrimental psychological and emotional impact of becoming homeless and being placed into emergency accommodation.
16. The current HAP awards households that are accepted as homeless and in TA the highest priority. It is felt that this approach can sometimes incentivise homelessness as a route to social housing. The new draft HAP introduces a lower level of priority for accepted homeless households in TA (Band B). Placing clients in a lower band may increase the length of time it will take them to be rehoused into social housing; however, experience in other local authorities is that the measure reduces the number in TA overall as becoming homeless is removed as an expedited route to accessing social housing.
17. It should be noted that the draft HAP will allow the Council to put homeless applicants who are in TA into the Emergency Band after six months, provided they are fully engaging with support and have exhausted all other options to secure accommodation in the private rented sector, for example. This will continue to allow the Council to secure social housing for those in TA, if required.
18. The new draft HAP introduces a priority for households who make their own TA arrangements rather than accessing TA. This would apply to applicants who received an outright possession order or eviction notice through no fault of their own. The household would also have to be fully engaged with the Council and be completing the tasks outlined within their PHP. The change will incentivise households to make their own temporary housing arrangements and reduce the Council's costs on TA, storage and removals. It would also prevent vulnerable households, including those with children, from the detrimental psychological and emotional impact of being placed into emergency accommodation. The Council will undertake rigorous checks to ensure that the

safety of households is always prioritised. The Council will not encourage any accommodation arrangements to be made where any safeguarding concerns exist. The Council will liaise with statutory external agencies to manage any identified risk.

#### Support for former rough sleepers

19. The Council has secured funding for accommodation through the Next Steps Accommodation Program (NSAP) and Rough Sleeper Accommodation Program (RSAP). The Council now operates a Housing First scheme, providing supported accommodation to former rough sleepers. Under the terms of the funding, clients are only able to reside in the accommodation for a maximum of two years. It is therefore necessary to award a Band A priority on the to clients who have demonstrated they have the independent living skills to move into independent accommodation, so that vacancies can be created within the Housing First scheme.

#### Encourage clients to accept private rented accommodation

20. It was suggested, following a recent service review from the DLUHC. that the Council could do better at incentivising homeless households to accept housing offers in the private rented sector. It was suggested that many councils allow homeless households that accept a private rented accommodation offer to remain on the housing register. We are therefore proposing to allow such households to retain a Band C following their accepting a private rented accommodation offer. The Council assisted 75 clients into the private rented sector during the last financial year, although it is not envisaged that all of these would want to join the Housing Register.

#### Reduced priority for non co-operation

21. Following the introduction of the Homeless Reduction Act (2017), there is a statutory requirement for applicants to take the necessary, agreed steps, in their PHP to resolve their housing situation. Where applicants deliberately refuse to co-operate with their PHP, then their priority on the Housing Register could be reduced to Band D for six months. Clients who are vulnerable to the extent it is not reasonable to expect them to co-operate would not be affected. The new measure will encourage clients to take the reasonable steps as set out in their PHP which could prioritise other types of housing, such as the private rented sector or supported accommodation. It will penalise those who deliberately refuse to actively engage in resolving their homelessness.

#### Medical priority and unsatisfactory housing conditions

22. The Council is required by law to award *reasonable preference* to people with medical needs that make their current accommodation unsuitable. In addition, local authorities must provide reasonable preference to those in unsatisfactory housing conditions due to overcrowding, or significant disrepair, for example. The new draft HAP does not propose to make significant changes to these categories.

### **Conclusion**

23. A review of the current HAP has been undertaken in collaboration with wider stakeholders and the Portfolio Holder for Housing and a new draft HAP

produced. The new draft HAP has allowed Council officers to revisit its criteria for allocations and the changes proposed will allow it to continue to respond to increases in demand for social housing more effectively, while also improving the efficiency and transparency of its allocations. The Council is obliged to consult local residents and other stakeholders on the proposed changes so these can be revised and adapted to meet the needs of the community. It is recommended, therefore, that the draft HAP, Consultation Plan and Consultation Questionnaire be approved for consultation with residents and wider stakeholders.

## Equalities

24. An equality impact assessment (EIA) has been completed and a further one will be required following public consultation. A copy of the EIA can be provided upon request.

## Financial

25. The Council's budget for the use of TA continues to increase. The new draft HAP changes have a greater focus on homelessness prevention which aim to reduce the use of TA and therefore reduce costs.

## Legal

26. Local authorities are required to have an allocation scheme (policy) determining priorities for the allocation of accommodation and the procedures to be followed. In the exercise of their functions under Part 6 of the Housing Act 1996, local authorities must have regard to statutory guidance issued by the Secretary of State. In determining how to prioritise between applicants, a local authority must give reasonable preference to those categories of people set out in section 166A(3) of the Housing Act 1996. The new draft HAP is with the Council's legal team for comment and input.

Other Implications	Applies?	Other Implications	Applies?
Human Rights	No	Equalities and Diversity	Yes
Crime and Disorder	No	External Consultation	Yes
Environmental	No	Access to Information	No
Risk Management	No	Exempt from publication	No

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Appendices:	Appendix A RDC Housing Allocations Policy Appendix B RDC Housing Consultation Plan Appendix C RDC Consultation Questionnaire Appendix D OSC Minute Extract
Relevant previous Minutes:	CB19/15, OSC19/49, CB19/90, C19/69
Background Papers:	-
Reference Documents:	-

**Extract from Minutes of the Overview and Scrutiny Meeting – 5 June 2023****OSC23/09. HOUSING ALLOCATIONS POLICY**

Members received the report of the Head of Housing and Regeneration, which provided details of the new draft Housing Allocations Policy (HAP), which was attached at Appendix A to the report. The Policy provided a transparent framework for the effective and equitable allocation of social housing in the Rother District, having regard to the statutory guidance as set out in s.196 of the Housing Act 1996 and the Localism Act 2011. In addition, the purpose of the HAP was to support the Corporate Plan Priority to reduce the housing list, as well as the objectives of the Housing, Homelessness and Rough Sleeping Strategy 2019-24.

Social housing was in very limited supply and accounted for only 10% of the total housing stock in Rother; this percentage was below the national average of 17%. Therefore, only those with the highest housing need, with a local connection to the area, were likely to obtain social housing.

The demand for social housing continued to exceed supply, with the Council receiving on average 60 new housing register applications every month. There was a total of 2,072 households on the register which compared to only 218 available properties in the previous year, meaning that over 90% of households were unsuccessful in bidding for properties; of the 10% that were, the majority were homeless households to whom the Council owed the main housing duty.

The current HAP was written in 2014 and subsequently reviewed in 2019, but the revised HAP approved in 2019 was never formally implemented. In developing the new draft of the HAP, a market research exercise was conducted where officers examined the policies of several other local authorities, under guidance from the Council's Specialist Advisor within the Department for Levelling Up, Housing and Communities (DLUHC). The exercise helped to identify areas of good practice to support the development of a policy that better enabled the Council to achieve its Corporate Plan priority to reduce the number of households on the Housing Register. A multi-agency stakeholder collaboration event was then held in which the research undertaken was reviewed and stakeholders collaborated with one another to develop the draft HAP.

The purpose of the officer-led review and stakeholder collaboration event was to ensure that the draft HAP continued to meet its objectives effectively. The main objectives of the revised HAP were to:

- continue to provide a transparent and clear method of awarding priority for social housing that met the needs of local residents, particularly the most vulnerable;
- ensure compliance with statutory obligations and changes in legislation, particularly regarding eligibility and the Homeless Reduction Act (2017);
- reduce the number of clients on the housing register from its current total of 2,072, in accordance with the stated Corporate Plan Priority,

and the Housing, Homelessness and Rough Sleeping Strategy 2019-2024;

- reduce the use of TA through improved homelessness prevention; and
- ensure that households identified as having urgent housing needs due to their health or housing conditions were suitably prioritised.

The Council was obliged to consult local residents and other stakeholders on the proposed changes within the new draft HAP so these could be revised, refined and adjusted to best meet the needs of the community; the draft Consultation Plan was at Appendix B to the report. The consultation would run for eight weeks, commencing in June or July 2023. Stakeholders would be invited to complete a questionnaire that aimed to capture feedback on the draft HAP, in a format that would allow the Council to assess levels of satisfaction with the proposals. The draft HAP Questionnaire was attached at Appendix C to the report.

Consultation responses would then be reviewed and adjustments would be made in collaboration with a core stakeholder group and the Portfolio Holder for Housing. The finalised HAP would be presented to full Council for formal adoption in the late summer 2023.

Members were guided through the main changes proposed within the new draft HAP and the reasons for these changes, as outlined in the report.

Members were given the opportunity to ask questions and the following points were noted during the discussions:

- applicants' level of need was the highest priority, but local connections were also taken into account;
- the time taken to process applications to register for the housing list had reduced to 35/40 working days;
- applicants were directed to the Brighton Housing Trust if they wished to appeal a decision;
- overcrowding had become more commonplace with the reduction in supply of housing;
- officers would look at including hyperlinks in the consultation questionnaire to summaries of the changes in the HAP, rather than just to the full HAP document;
- officers would look at holding events in the community as part of the consultation exercise in addition to the online questionnaire, and Members were requested to advise officers of any groups that may benefit; and
- any residents willing to downsize their properties would be given priority on the housing list, to release larger properties.

Members of the OSC were happy to recommend to Cabinet that the draft Consultation Plan, draft Consultation Questionnaire and the draft Housing Allocations Policy be approved for consultation, as submitted.

**RESOLVED:** That Cabinet be recommended to approve the draft Consultation Plan, draft Consultation Questionnaire, and the draft Housing Allocations Policy for consultation with residents and wider stakeholders, as submitted.