

# Crawley Borough Council

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## Report to the Overview and Scrutiny Commission 2 October 2017

### Report to Cabinet 4 October 2017

## Amending the Housing Allocations Scheme

Report of the Head of Strategic Housing and Planning Services – **SHAP/60**

### 1. Purpose

- 1.1 To request approval for amendments to be made to the Council's Housing Allocations Scheme to better manage housing need.

### 2. Recommendations

- 2.1 To the Overview and Scrutiny Commission:

That the Commission consider the report and decide what comments, if any, it wishes to submit to the Cabinet.

- 2.2 To the Cabinet:

That the Cabinet considers and endorses the contents of this report and appendix, and recommends to Full Council:

2.2.1 That the amendments to the Council's Housing Allocation Scheme as set out in Appendix One of this report be approved; and

2.2.2 If the decision of the Full Council is to approve the amendment to the Council's Housing Allocations Scheme, to delegate to the Head of Strategic Housing and Planning the date the amendments are to take effect (such date to be no later than 4 December 2017).

### 3. Reasons for the Recommendations

- 3.1 The Housing Allocations Scheme as currently drafted is limited in its ability to prevent the homelessness of those who lose their private rented accommodation or who have to leave their parental home through no fault of their own. Applicants are then often faced with homelessness and where a duty is owed will be placed into temporary accommodation (TA). The recommendations seek to reduce the number of applicants who become homeless and need TA by giving them a higher priority on the housing register.

- 3.2 During the financial year 2015/2016 the rate at which accepted homeless applicants were housed led to a decline in the turnover and availability of TA. A temporary minor change to the Housing Allocations Scheme last year successfully demonstrated that a quota system can increase the ability to house homeless applicants. However as this was a temporary policy, it cannot remain in place and the recommendations seek to

introduce a permanent quota system with the flexibility to react to changing housing demands.

#### **4. Background**

4.1 The Council's policies for determining priorities and the procedure to be followed in allocating housing is published in a document called the Housing Allocations Scheme.

4.2 During the year 2016-2017 there was a need to make increased use of nightly paid temporary accommodation (TA) i.e. hotels and B&Bs. The reasons were threefold:

- Those at risk of homelessness have less priority than those who are already homeless under the current Housing Allocations Scheme and so there is limited scope for the Council to prevent homelessness. This means that households take the route of making a homeless application and are placed into TA.
- Other forms of TA may not be readily available at short notice, whereas nightly paid accommodation can be booked and occupied on the same day. Consequently, households may be placed into nightly paid TA then moved into self-contained accommodation as and when a unit of the appropriate size becomes available.
- The priorities as set out in the current Housing Allocations Scheme mean that the Council has become less able to swiftly and efficiently discharge the housing duty of accepted homeless households. Therefore they remain in TA until they are offered settled accommodation. This is mostly because there has been an increase in the number of people in high housing need who compete with homeless households for the limited social housing stock.

4.3 This resulted in increased financial pressure on the Council and a forecasted £400,000 overspend on TA for 2016/17. In order to address the immediate problem of the high number of households in nightly paid TA, a temporary minor amendment to the Allocations Scheme has been piloted under delegated authority from September 2016 enabling up to 70% of social housing (excluding sheltered and extra care accommodation) to be allocated to accepted homeless applicants living in TA, 20% to applicants in housing register bands A+ and A and 10% to those in other bandings.

4.4 At the end of the financial year 2016/2017 the pilot had successfully reduced the number of households in nightly paid TA by around 80% and the forecasted overspend by £225,000. During this period other applicants in housing need, including those in banding B, received 41% of the housing available. Households seeking sheltered or extra care accommodation were not included and therefore not impacted.

4.5 Other drivers for amendments to the Housing Allocations Scheme are:

- Causes of homelessness – parental eviction is one of the two main causes of homelessness in Crawley. At present, such households are not prioritised for social rented housing and are therefore unlikely to be housed via the housing register route. As a result, most will apply as homeless and need emergency accommodation, increasing the financial burden on the Council and causing disruption for vulnerable applicants and any dependent children.
- Accessing the private rented sector – this can be costly and challenging, due to the limited availability of affordable private rented accommodation locally, the upfront funds needed to access this accommodation and the reluctance of landlords to accept those in receipt of housing benefit. This limits homeless

prevention options and emphasises the need for greater access to social rented accommodation.

- Increase in demand – The Homelessness Reduction Act 2017 will come into force in April 2018 and will place considerable additional demand on local authority housing options and homelessness services. Without the means to prevent homelessness via the housing register, the number of households in TA will rise and throughput within the TA portfolio will decrease. The number of households in expensive nightly paid TA will inevitably increase due to the lack of alternative options and can be expected to remain elevated. This would result in a significant increase in TA expenditure from April 2018.
- Use of nightly paid temporary accommodation – The use of nightly paid TA has financial implications for the Council, who pay the difference between the cost of TA (as determined by the provider) and what the customer is charged. The shortfall which the Council pays is up to £400 per week per household.

4.6 Further to the issue of cost, other local authorities are also placing households into nightly paid TA in Crawley. On occasions, this can make it difficult to source nightly paid accommodation as and when needed.

## **5. Description of Issue to be resolved**

5.1 Unless the root causes of the issues (as identified in 4.2) are addressed on a permanent basis the Council will continue to struggle to prevent homelessness and the number of households in nightly paid TA will increase. However, as the minor amendment to include a temporary quota proved to be effective, it is proposed this issue is addressed by amending the Housing Allocations Scheme on a permanent basis to:

- 5.1.1 Enable the prevention of homelessness by placing households to whom we would owe a housing duty (if they went on to make a homeless application and have a duty accepted) into either band A+ or A on the housing register. It is predicted that this will result in approx. 20 additional applicants being placed between these bandings at any given time.
- 5.1.2 Provide a means for those with dependent children living at home and forced to share accommodation to join the housing register and increase the likelihood of moving into settled accommodation without the need to apply to the Council as homeless (and go into expensive temporary accommodation). It is predicted that this will result in approx. 15 additional applicants being assessed as Band A at any given time.
- 5.1.3 Allocate social housing using a simple quota system as outlined in Table One. This will ensure that those in lower bandings but to whom the Council has a legal duty to give reasonable preference are allocated a percentage of the social homes available. Use of quotas will also enable staff and applicants to better predict when they might get an offer of social rented housing. It is proposed that in the future, amendments to the percentages within the quota system can be made under delegated authority by the Head of Strategic Housing and Planning in consultation with the Cabinet Member for Housing based on a recommendation by the Housing Needs Manager following an annual review.

### **Table One – Proposed quota system for the allocation of general needs social housing in Crawley**

	Percentage
Households in bands A+ and A	Up to 80%
Households in bands B, C and D	Up to 20%

5.1.4 Introduce flexibility into the scheme (under delegated authority) to use temporary quotas to give additional preference to specific groups of people for example homeless applicants in temporary accommodation and transfers seeking to give up larger accommodation. This amendment is proposed to allow the Council to respond to changes in demand on the service and to efficiently manage the use of temporary accommodation.

5.2 The proposed amendments to the wording of the Housing Allocations Scheme are shown in **Appendix One**.

## 6. Information & Analysis Supporting Recommendation

6.1 In 2016, prior to the temporary quota system being introduced, the average stay in nightly paid TA was 69 days at a cost of £4,335. While the quota system was in place the average stay in nightly paid TA reduced to 30 days at a cost of £1,805. Shorter stays in nightly paid TA also benefit the customer, as there are often limited amenities available in hotels and B&B's for customers use.

6.2 A minor change to the Housing Allocations Scheme which introduced a temporary quota was successful in achieving a reduction in homeless applicants in nightly paid TA. The impacts on the proposed amendments to the Housing Allocations Scheme are:

- Where homeless preventions are made via the housing register, the five year local connection criteria would apply, ensuring that only applicants with an established connection to Crawley (and who meet the other qualification criteria within the Housing Allocations Scheme) would be eligible for assistance via this route, unless there are exceptional circumstances.
- Homeless prevention via the housing register would also only be an option where the applicant's homelessness could be prevented in time. For example, this option would not be suitable for a household that is a week away from receiving a bailiff's warrant. It is anticipated that the overall number of cases to which this applies will be small but will encourage applicants to work with the Council earlier to increase the chances of preventing homelessness.
- The proposal is likely to achieve a greater turnover of TA stock and fewer out of borough placements, due to having increased access to TA locally. Placing households out of borough can be disruptive for those who attend work/school/college in Crawley and who are dependent on local support networks. It is also costly for the Council.
- A quicker turnover of TA would increase mobility within the TA portfolio, leading to a reduction in the use (and therefore cost) of nightly paid TA.
- Households subject to the proposed parental eviction condition will only be awarded band A where they meet the necessary criteria and where they continue to remain in the home whilst they await an offer of settled accommodation. This in some but not all cases will deter unnecessary homeless applications and the use of TA.
- The addition of homeless prevention cases to Band A is likely to result in a longer wait to be housed for non-homeless households and those in lower bandings, for

example those who have a home but are overcrowded. However, because the estimated number of additional applicants at any one time is unlikely to be in excess of 35 the predicted wait time will not be wholly unreasonable.

- 6.3 The Council is required to provide Registered Providers operating in Crawley information about the proposed changes. A copy of the proposed changes and an invitation to make comment was sent on 7 August 2017 requesting any responses by 13<sup>th</sup> September 2017. No representations have been received.

## **7. Implications**

- 7.1 An Equalities Impact Assessment has been carried out, a copy of which can be obtained by contacting the author of this report. It has shown that people with protected characteristics will not benefit or be disadvantaged any more than people without protected characteristics. Therefore no action needs to be taken as a result of the proposed changes to the Housing Allocations Scheme.
- 7.2 There are no financial or staffing resource implications as a result of implementing these proposals, however if the changes are not agreed the number of households in nightly paid TA will rise again, as will annual expenditure on nightly paid temporary accommodation.
- 7.3 There are no legal implications of implementing the proposed changes to the Housing Allocations Scheme as the changes proposed are considered to be rational, reasonable and proportionate.
- 7.4 The quota system would remain under review to assess the impact of the changes made and the proposed amendments allow for adjustments to be made to the main quota following an annual review.

## **8. Implementation**

- 8.1 It is anticipated that implementation of the changes will be take effect as soon as operationally possible, but no later than the 4<sup>th</sup> December 2017.

## **BACKGROUND PAPERS**

Crawley Borough Council's Housing Allocations Scheme

# APPENDIX ONE

## Additional wording to be added to the Housing Allocations Scheme .

***The following wording to be added to the existing wording of the Housing Allocations Scheme between existing paragraphs 5.1 and 5.2:***

### **5.1.1 Main allocation quota**

Except for the accommodation specifically excluded from quotas (see further under section 5.1.3), the following quota will apply to all other allocations under the Choice Based Lettings scheme:

Band A+ and Band A (applicants will be prioritised by Band and within each Band by priority housing date order)	80%
Band B, C and D (applicants will be prioritised in Band order and within each Band by priority housing date order)	20%

The proportion split of the above quota will be reviewed on an annual basis. The review will be conducted by the Housing Needs Manager to decide whether a different proportion split is likely to better meet the competing housing needs from transferring social housing tenants, applicants in reasonable preference groups and homeless households with a statutory rehousing duty living in temporary accommodation. If the review concludes that a different proportion split may better achieve this aim (for example, 85% of allocations for Band A+ and A and 15% for Bands B, C and D), the above proportions may be changed in line with the review findings by the Head of Strategic Housing and Planning following consultation with the Cabinet Member for Housing.

### **5.1.2 Temporary sub-quotas**

From time to time the Council may introduce temporary sub-quotas within the main quota (5.1.1) to give additional preference for specific groups of people. Any temporary sub-quota will be in place for no longer than 6 months.

An example of a sub-quota is as follows (see **bold text** below):

Band A+ and Band A (applicants will be prioritised by Band and within each Band by priority housing date order), <b>but this sub-quota will also apply:</b> <ul style="list-style-type: none"><li><b>Homeless applicants in temporary accommodation and transfers seeking to give up larger accommodation will be allocated 50% (of the 80%) (prioritised by Band and within each Band by priority housing date order)</b></li></ul>	80%
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<ul style="list-style-type: none"> <li>• <b>The 50% balance (of the 80%) will be allocated to all other Band A+ and Band A applicants (prioritised by Band and within each Band by priority housing date order)</b></li> </ul>	
Band B, C and D (applicants will be prioritised in Band order and within each Band by priority housing date order)	20%

A decision to introduce a temporary sub-quota may be made by the Head of Strategic Housing and Planning following consultation with the Cabinet Member for Housing.

A decision to introduce a temporary sub-quota will be published on the Council's website, and all properties subject to a temporary sub-quota will be clearly labelled on the property advertisement.

### 5.1.3 Accommodation excluded from quotas

The following properties allocated via the Choice Based Allocations scheme will not be included in the quotas referred to in 5.1.1 and 5.1.2:

- sheltered accommodation;
- bungalows;
- accommodation designated for older people; and
- accommodation which has been adapted for people with disabilities.

#### ***Banding changes – the following wording to be added to paragraph 3.2.1 under the heading “BAND A+ (Emergency or urgent priority)”:***

**Band A+ (court order to leave accommodation)** - The applicant has been working closely with the Council's Housing Options Team to prevent homelessness and has received an outright possession order or notice of eviction from a court to leave or vacate their current accommodation, and the reason that the landlord sought possession was through no fault of the applicant. This applies to applicants who are homeless within the meaning of Part 7 of the Housing Act (as amended) and who are unable to secure any alternative accommodation.

#### ***Banding changes – the following wording to be added to paragraph 3.2.1 under the heading “BAND A (Very High Priority)”:***

**Band A** - The applicant has been working closely with the Council's Housing Options Team to prevent homelessness but has received a valid Section 21 Housing Act 1996 notice to leave or vacate their current accommodation and the reason that the landlord served the notice was through no fault of the applicant. This applies only to applicants who are homeless within the meaning of Part 7 of the Housing Act 1996 as amended and who are unable to secure any alternative accommodation.

**Band A** - The applicant is homeless or threatened with homelessness within the meaning of Part 7 of the Housing Act 1996 as amended, is unable to secure any alternative accommodation and:

- is forced to share their bedroom or sleeping area with their dependent child who is over 6 months;
- they currently live with their parent/s or relations; and they have continuously lived their parent/s or relations for the 12 months prior to the birth of their child (and can evidence this).

**Wording to be deleted from the Housing Allocations Scheme.**

***The following wording to be deleted from paragraph 3.2.1 on page 18:***

**Band A** – The applicant has received a valid court order to leave or vacate their current accommodation through no fault of their own.