

WELWYN HATFIELD BOROUGH COUNCIL
CABINET HOUSING AND PLANNING PANEL - 19 April 2017
REPORT OF EXECUTIVE DIRECTOR (HOUSING AND COMMUNITIES)

HOUSING ALLOCATION POLICY REVIEW

1 Executive Summary

- 1.1 The Council's Housing Allocation Policy sets out the rules for the Council's Housing Needs Register ("HNR") and how priority is awarded to households, based on their housing need. The Housing Needs Register is a list of all applicants looking for affordable, rented and low cost home ownership accommodation in the Welwyn Hatfield Borough. This reflects issues such as overcrowding, health problems and homelessness.
- 1.2 The Council works in partnership with four other Hertfordshire councils (St Albans, Hertsmere, Watford and Three Rivers) to provide a Choice Based Letting (CBL) system, whereby applicants registered on this Council's Housing Needs Register place 'bids' for vacant properties that meet their needs.
- 1.3 The Housing Allocation Policy was reviewed in 2012 in response to changes brought about by the Localism Act 2011, which gave councils greater freedom in the way in which they operate their HNR. After broad consultation, the revised policy was approved by full Council in January 2013 and the changes implemented that month.
- 1.4 After a period of review, a report was brought to members in January 2015, setting out proposals for further minor changes to the current Housing Allocations Policy; these were approved for wider public consultation and adopted in October 2015.
- 1.5 The Housing and Planning Act 2016 came into force on 12 May 2016 and introduced numerous changes to housing law and planning law, mainly intended to promote homeownership and boost levels of housebuilding in England. A key element of this was the introduction of a Pay to Stay policy for council tenants, which stated that increased rental charges were to be made to tenants of council housing, based on incomes above £31,000.
- 1.6 As a result of this policy, a review of the Council's Housing Allocation Scheme was commenced, as it was important that access to social housing was in line with the proposed policy, particularly in consideration of an applicant's resources/incomes.
- 1.7 Whilst the government later amended the Pay to Stay policy, the review was already underway and it was agreed to continue with this as other proposed changes are being put forward for consideration.

2 Recommendation(s)

- 2.1 Members approve the proposed changes set out in Appendix A of this report for wider consultation with applicants and stakeholders.

Implications

3 Financial Implication(s)

- 3.1 There are no direct financial implications arising from this report.

4 Link to Corporate Priorities

- 4.1 I confirm that the subject of this report is linked to the Council's Corporate Priority, Meet the Borough's housing needs, and specifically to the achievement of the priority - Making Best Use of our Housing Stock – set out in the council's Housing and Homelessness Strategy 2013 – 2018
- 4.2 The Under Occupation and Overcrowding Strategy 2015-2018 and the Tenancy Strategy 2013, which both aim to ensure the most effective use of the borough's housing stock, are linked to the Housing Allocation Policy.

5 Legal Implication(s)

- 5.1 Under s.169 of the Housing Act 1996 ('the 1996 Act') Housing Authorities are required to have regard to this section in exercising their functions under Part 6 of the 1996 Act ('Part 6'). Local Authorities are required to devise housing allocations schemes which give "reasonable preference" to certain categories of applicants.
- 5.2 The Localism Act 2011 introduced significant amendments to Part 6, the main objectives being to enable housing authorities to better manage their housing waiting list by giving them the power to determine which applicants do or do not qualify for an allocation of social housing.
- 5.3 Housing Authorities must publish a summary of their allocation scheme and when an alteration is made reflecting a major change of policy, an authority must ensure within a reasonable time that those likely to be affected by the change have the effect brought to their attention.

6 Climate Change Implication(s)

- 6.1 There are no Climate Change implications arising directly from this report.

7 Risk Management Implications

- 7.1 The risks related to this proposal are:
- 7.2 Legal and Reputational – It is important to review key policies on a regular basis to ensure that they remain legally compliant and that the impact of policies is consistent with the aims and objectives. The recommendations in this report do not include change required by government regulation.

8 Explanation

- 8.1 The Housing and Planning Act 2016 introduced numerous changes to housing and planning law, mainly intended to promote homeownership and boost levels of House building in England.
- 8.2 This included the introduction of Pay to Stay, which required local authority tenants with a higher income to pay a higher rent. As a result of a requirement for the Council to introduce this by April 2017, a review of the Council's Housing Allocation Policy was commenced. The requirement to implement the Pay to Stay policy generated this review, as it was important to ensure that the assessment of housing applicants' resources was consistent with this policy.
- 8.3 The proposed compulsory Pay to Stay policy applied to households with a taxable income of £31,000 or more. Households with an income above this level would be required to pay more rent. Any additional money collected had to be returned to the government, minus an allowance for administration costs. Any household in receipt of Housing Benefit or Universal Credit were exempt from the policy.
- 8.4 The government announced in November 2016 that they were no longer requiring the Council to introduce Pay to Stay on a compulsory basis, but that it would now be a voluntary scheme.
- 8.5 The review of the Housing Allocation Policy had already begun and therefore it was agreed to continue with this piece of work. Consultation took place with the Housing Needs and Housing Management teams, who implement this policy, and as a result there are a number of proposed changes.
- 8.6 All the proposed changes aim to ensure that there is greater fairness and transparency in the way in which priority is awarded. In some areas, the proposals seek to better manage expectations of applicants, where the current policy may be raising expectations that cannot be met. The proposals are set out in detail in Appendix A, but in summary are:
- a) To no longer allow older home owners on the HNR unless in financial hardship or other exceptional circumstances would warrant this
 - b) To amend the local connection criteria, so that a person establishes a local connection via employment in the district if they have had that employment for up to a minimum of five years
 - c) To not award any priority or bedroom eligibility as a result of a pregnancy, but defer awarding additional priority until the baby is born and birth certificate received
 - d) Applicants who have access to children are currently able to bid for 2 bed properties above the 3rd floor, remove this option as it does not result in an allocation
 - e) To remove the current priority awarded where someone is living in unsanitary conditions, however to commit to an assessment of homelessness if someone is living in very poor circumstances or their home is potentially insanitary and award any associated priority based on this assessment.

- f) To not allow those with current or former tenant arrears on the HNR unless exceptional circumstances exist. If there is a tenancy breach for a current tenant, they should not be allowed to join the HNR
 - g) To give tenants living in properties that are to be decommissioned (that is changed from sheltered to general needs usage) the same priority as those moving from general needs housing to sheltered accommodation
- 8.6 Even though the introduction of Pay to Stay is no longer compulsory, the review gave us the opportunity to consider the way in which we assess applicants' (both new and transferring tenants) financial circumstances. We want to ensure that social housing is allocated to those in the greatest need. If an applicant or tenant has sufficient resources to find alternative housing options, they will not be given priority for allocation of social housing. Whilst there was a procedure in place for assessing this, the teams have reviewed this to ensure that it is sufficiently robust.
- 8.7 The Council completed a borough wide consultation with residents from all tenures across the borough who were over 50, this was to help inform and develop a new older people's housing strategy. The result highlighted the tenure was predominantly owner occupied at 60% and 31% of respondents were interested in renting from the Council in the future. This implied that some owner occupiers may be looking to change tenure to the social rented sector.
- 8.8 Currently Home Owners over 60 + are accepted on the HNR in Band E and can bid and as a result a number of sheltered housing units have been let to current home owners over the last year. This is mainly because there are some sheltered housing schemes which are in low demand. However as part of the review of the Council's Sheltered Housing stock, other measures are being put in place to tackle low demand, including decommissioning of schemes (where the scheme is no longer used as sheltered housing), redevelopment of one scheme and remodelling/refurbishment of a number of blocks.
- 8.9 On this basis it is proposed we no longer allow home owners on the HNR unless they are in financial hardship. However if this proposal is accepted, we will ensure that home owners have access to comprehensive advice about other housing options that are available to them.
- 8.9 During consultation with the Housing Needs Team and Housing Management Team, further enquiries were generated and given consideration for change. The proposals arising from the review are about improving fairness and transparency.

9 Equality and Diversity

- 9.1 An Equality Impact has been carried out. There is a negative impact on age, due to the change proposed to remove older owner occupiers from the HNR. However this will be mitigated by advice about other available housing options and where there is financial hardship and/or exceptional circumstances, applicants will still be able to apply to join the HNR.

- 9.2 There will be a positive impact on people who are older as a result of the proposal to provide additional priority to tenants who occupy decommissioned properties.
- 9.3 There is a negative impact on people who are pregnant, as it is proposed that the additional priority awarded at the point at which they are six (6) month's pregnant will be removed. However overall it is considered reasonable to prioritise those who have children already, above those who are pregnant and therefore it is considered that this is a justifiable change.
- 9.4 The proposal to prevent applicants who are in breach of their tenancy to join the HNR could have a negative impact on people with a disability, as they may be more likely to have issues in managing their tenancy. However this is mitigated by the robust process we follow in taking action against people who are in breach, including tenancy support and signposting to other support services.
- 9.5 The proposed consultation will ask for views on all the proposed areas of change and once the results are known, the Equality Impact Assessment will be reviewed.

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Appendix A

Proposed Amendments to the Housing Allocation Policy

Aspect of Policy	Current	Proposal	Reasoning	Comments	Stats Available
a) Home Owners accepted onto the HNR	Home Owners over 60 + are accepted onto the HNR in Band E and can bid	No longer allow home owners on the HNR unless in financial hardship	Property prices in this area are high and most will have the financial resource to source other accommodation	12 current or former home owners housed into sheltered accommodation in 2016	Band E Lets Jan-Dec 16
b) Local connection	Employed in the Borough for 12 months (16 hrs. pw on permanent contract)	Extend period of employment up to a minimum of five years	Applicants quite often have no other connection to this area and due to their circumstances, may be highly placed on the HNR	Include as part of consultation whether the period of employment should be for 3, 5 or 7 years	Local connection through work only
c) Consideration of Maternity Certificate (MATB1)	Priority given once MATB1 received for both priority (for example overcrowding) and eligibility for size of property – for example eligibility for a two bedroom, rather than one.	Do not award any priority or bedroom eligibility until baby is born and birth certificate is received	Currently this means priority is given before the baby is born and can mean pregnant women are housed before those with children already born.		This priority currently comes into place once the woman is more than six month's pregnant. If the proposed change is made, it is not be applied in retrospect to anyone who has already been awarded additional priority.
d) Contact with children	Those with contact with children are able to queue for 2 beds above the 3 rd floor	Remove	This policy was put in place when the levels of housing need were less pressing than currently. Therefore, on occasions, higher level flats were less in demand. This is never the case now and the policy raises expectations and never results in an allocation	Off those let, none went to applicants without children	2 beds 3 rd floor

Aspect of Policy	Current	Proposal	Reasoning	Comments	Stats Available
e) Living in unsanitary conditions	If awarded applicants are placed in Band A	Remove as this is ambiguous. Cases like this are so rare and we would refer them to the Private Sector Team for a full assessment of the property. If property uninhabitable, they would be homeless and would be referred to the Housing Advice Team	If condition of property is that bad, can be dealt with through homeless legislation if Temporary Accommodation is needed. If improvements needed, this can be done working with the Private Sector Team.	Only 3 applicants have been placed in this category in 2016	Band A Lets
f) Tenants in breach of their tenancy conditions	Are able to register on HNR and bid. Those with rent arrears are placed in Pending but once arrears are cleared they have an early date in band	Do not allow those with current or former arrears on HNR. If tenancy breach for a current tenant, they should not be allowed to join HNR rather than be in Pending	Once arrears are cleared, the applicant has a significant advantage, based on the length of time they have been on the list, we want to establish a fairer system which better rewards tenants who are maintaining their rent payments	Agreement from Housing Management and Housing Needs	None
g) Decommissioning of Sheltered Housing accommodation where demand is low for this type of accommodation	Not done	Give tenants living in properties that will be decommissioned the same priority as those moving from General Needs to sheltered	To assist in making the rehousing process quicker		