

Wards Affected:

All Wards

ITEM 9

CABINET

30 JANUARY 2013

HOUSING OPTIONS AND ALLOCATIONS SCHEME AND HOMELESSNESS STRATEGY

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Executive Summary:

Our current Housing Options and Allocations Scheme has been in place since October 2007 and our Homelessness Strategy since 2005. Within the last 18 months conditions in the housing market locally and nationally have been subject to considerable change and as a result, both need to be revised.

A revised proposed Housing Options and Allocations Scheme and a revised Homelessness Strategy are attached as annex 1 and 2 respectively.

1. Recommendation(s)

- 1.1 That the Housing Options and Allocations Scheme and Homelessness Strategy be approved.

2. Issues

- 2.1 The Housing Options and Allocations Scheme and Homelessness Strategy together inform how the Council assists those in housing need. At present, because the supply of housing for those in need has reduced, we can only assist those in the highest housing need and those people are waiting longer. In particular, those to whom we have a statutory duty under homelessness legislation are waiting extended periods in temporary accommodation (including bed and breakfast establishments). Statutory homelessness has become the main route into social housing and as a result, there is currently no incentive for those households to engage with staff to prevent their homelessness.
- 2.2 The Homelessness Act 2002 requires the Council to review homelessness and, based on the findings of this review, to develop and publish a strategy to tackle and prevent homelessness.
- 2.3 The Council last carried out a review in 2005 and since then the following has occurred:
- (a) The economic down-turn from 2008 onwards has led to a reduction in the number of new homes being built (down from 2,317 homes in 2007/08 to 1,586 in 2011/12);

- (b) A significant fall in the overall supply of housing available for those in need. As at October 2012 there were 510 in Band 1 awaiting housing of which 171 were in unsatisfactory temporary accommodation, including 107 in bed and breakfast type accommodation;
- (c) At present those to whom we have a statutory duty under homelessness legislation are able to refuse an immediately available private rented property and wait for social housing.

In June 2012, the Government published a revised draft Code of Guidance to assist local authorities to take advantage of the provisions in the Localism Act 2011 which give them greater flexibility to manage their waiting list and make it easier for them to move existing social tenants to more suitable accommodation. The guidance also encouraged local authorities to:

- make full use of the existing flexibilities within the allocation legislation to ensure that social homes go to people who genuinely need and deserve them the most, such as hard working families and existing and former members of the Armed Forces
- consider how they can help people in their area who are looking to adopt or foster a child, including working together with children's services to remove any potential barriers
- employ a modern measure of overcrowding when assessing whether families in crowded homes should have priority for social housing
- prioritise tenants who want to downsize, helping those – whose children have flown the nest – to move to smaller, more manageable properties

2.4 Other changes include:

- (a) The Localism Act 2012: This requires the Council to decide whether it will use the localism power to discharge homelessness duty by allocating into the private rented sector;
- (b) 'Welfare reform' which has restricted entitlements to local housing allowance and housing benefits for some households (including singles and couples under 35 and those under 60 occupying social housing that is too large for their needs);
- (c) The Southwark Judgment 2009 which changed the way local authorities treat 16 and 17 year olds that approach them with a housing need; and
- (d) Welfare reform changes have also led to inward migration from areas further south where rents are higher, particularly from the London Boroughs. Whilst we are not always aware of these cases, they can currently claim a local connection under our allocations scheme after only 6 months.

2.5 Consequently the main changes proposed to the Housing Options and Allocations Scheme are as follows:

- (a) An increase in the local connection requirements: Households will need to be resident in Milton Keynes for the last 2 years or demonstrate 10 years previous residence (households currently need to be resident in Milton Keynes for the last 6 months or 5 years previously);
- (b) Rewording to ensure that when considering exclusion of someone from the scheme for unacceptable behaviour that all need factors and available support are taken into account;
- (c) A change in the way that we deal with applications from 16-17 year olds to ensure that we take in account the Council's obligations under the Children's Act 2004 in line with the Southwark Judgment 2009;
- (d) A presumption that single people and couples under 35 will be assisted to access rooms in shared accommodation rather than self contained social housing unless they have needs that cannot be met in that way.
- (e) Enhanced consideration of whether or not households can pay their rent when making offers of settled accommodation;

2.6 The main changes proposed to the Housing Options and Allocations Scheme and Homelessness Strategy are as follows:

- (a) Use the private rented sector in some cases to discharge our full duty to house under Part 7 of the Housing Act 1996, provided that the tenancy is for at least 12 months and the landlord is registered on the Council's Landlord Accreditation Scheme.
- (b) An enhanced emphasis on prevention on homelessness

2.7 The review of these issues has taken place as part of Housing Allocations and Lettings Review Group (a sub group of the Housing and Communities Select Committee). The work plan is attached in annex 3 and included an online consultation, workshops with staff, 3rd sector partners, Registered Providers, people who have been recently through the allocations or homelessness process and current applicants, a site visit to Swindon Council and discussion of desk based research on alternative schemes elsewhere. The review group are satisfied with the evidence they have had, but have yet to conclude their considerations of that evidence so their final report is not yet available.

3. **Alternative Options**

3.1 Housing Options and Allocations Scheme

- (a) No change – this is not recommended as there are changes we are legally required to make under the 'Allocation of accommodation: Guidance for local housing authorities in England'. However there is some discretion on the following:

- (i) Local connection criteria could be left at current levels or increased – current levels are felt by many stakeholders to be overly generous and extending them could be discriminatory.
- (ii) Exclusions from the scheme – we cannot legally have blanket exclusions as previous behaviour has to be balanced against current need and a reasonable decision made. It would be possible to have any exclusions but this is not recommended as it would be seen by many as unfairly rewarding those who have behaved in an unacceptable way.
- (iii) Housing for 18-35 year old singles and couples – it would be possible take applications for self contained accommodation for all this group, but this would be inconsistent with the requirements of the local housing allowance for private sector rentals and lead to longer waiting times for those in this age group that need self contained accommodation.
- (iv) Models of choice – in 2005 the Secretary of State stipulated that local authorities should operate a choice based lettings system with properties advertised to allow maximum choice. At the time of writing the current policy we had reached the conclusion that choice based lettings involved a disproportionate amount of staff time and IT investment relative to the benefits offered. Instead we offer a choice from all the suitable available properties available on the day the applicant is to receive their offer. This offered a similar level of choice without the bureaucracy of a choice based system. The government has in recent times moved away from recommending choice based lettings and many authorities are closing their schemes in favour of a less bureaucratic system. Choice based lettings could be introduced but evidence from Swindon and Luton councils suggests that this would provide little benefit to applicants compared to the resources required.
- (v) Points system rather than banding – some authorities still operate an open to all points based waiting list rather than a banding system. Some consider a points based system to be more transparent as people can see more easily how their priority has been calculated. However in practice it means little because people in higher need can enter the list at any time above the applicant, effectively pushing them down the list. Our current banding system means that where applicants are assessed as being in band 1 need they do know they will be housed and we can normally tell them approximately how long that will take. People in lower bands for general needs housing know that there is little or no chance of accessing social housing and will be advised on alternative housing options instead. Introducing a points based system would require investment of approximately £20,000 for software changes and an additional member of staff to cover the additional assessment time.

3.2 The Homelessness Strategy

- (a) No change – this is not recommended as there is a legal requirement to decide whether to use the power to discharge homelessness duty using the private rented sector.
- (b) The decision could be not to discharge homelessness duty using the private rented sector. However if the revised Homelessness Strategy is not agreed, we will face significant continuing pressures on the general fund arising out of the use of bed and breakfast as temporary accommodation and whilst the exact level of pressure is difficult to predict, this could amount to £15 million over the next 10 years.

4. Implications

4.1 Policy

The recommendations are consistent with the Tenancy Strategy and Housing Strategy.

4.2 Resources and Risk

There are no adverse financial implications arising from the proposal – costs are provided for within existing budget. However if the revised Homelessness Strategy is not agreed, we will face significant continuing pressures on the general fund arising out of the use of bed and breakfast as temporary accommodation and whilst the exact level of pressure is difficult to predict, this could amount to £15 million over the next 10 years.

N	Capital	Y	Revenue	N	Accommodation (office)
N	IT	Y	Medium Term Plan	N	Asset Management

4.3 Carbon and Energy Management

It is not anticipated that the proposal will impact on the Council's Carbon and Energy Management Policy to any significant degree.

4.4 Legal

The 'Allocation of accommodation: Guidance for local housing authorities in England' issued under s.169 of the Housing Act 1996 was published in June 2012. Housing authorities are required to have regard to this revised guidance in exercising their functions under Part 6 of the 1996 Act.

The Homelessness Act 2002 places a statutory obligation on all local authorities to undertake a review of homelessness in their area and, based on the findings of this review, to develop and publish a strategy to tackle and prevent homelessness.

The Localism Act 2012 requires the Council to make a decision on whether it will use the power to discharge its homelessness duties under Part 7 of the Housing Act 1996.

The Southwark Judgment 2009 requires that local authorities consider all 16 – 17 year olds with a housing need as potential children in need under the Children Act 2004.

All data help on applicants is contained on the Council’s password protected housing database and all staff with access to the information have had training in data protection requirements.

4.5 Other Implications

The policy will apply to everyone in who approaches the Council with a housing need or want. Extending the local connection requirements will adversely affect those newly arrived in Milton Keynes but there is no evidence to suggest that any one group is disproportionately represented amongst inward migrants.

Homelessness applications and housing options applications are assessed using the reasonable preference grounds set out in Housing Act s167 1996 designed to protect the most vulnerable.

4.6 Equalities

An Equalities Impact Assessment has been completed and no concerns were raised.

Y	Equalities/Diversity	N	Sustainability	Y	Human Rights
N	E-Government	Y	Stakeholders	N	Crime and Disorder

Background Papers: The ‘Allocation of accommodation: Guidance for local housing authorities in England’ issued under s.169 of the Housing Act 1996

Milton Keynes Council Housing Strategy 2012-15

Annexes:

Annex A – Proposed revised Housing Options and Allocations Scheme

Annex B – Proposed revised Homelessness Strategy

Annex C - Housing Allocations and Lettings Review Group work plan