

## BOROUGH OF KETTERING

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<b>Report Originator</b>	John Conway – Head of Housing	<i>Fwd Plan Ref No:</i> A15/041	
<b>Wards Affected</b>	All	25 <sup>th</sup> May 2016	
<b>Title</b>	<b>KEYWAYS HOUSING ALLOCATION SCHEME</b>		

**Portfolio Holder: Cllr James Burton**

### **1. PURPOSE OF REPORT**

To seek Executive Committee approval of the revised Housing Allocations Scheme, which underpins the allocation of social rented homes to households in housing need in the Borough.

### **2. INFORMATION**

- 2.1 In February 2015, the Executive Committee agreed to adopt a revised Housing Allocation Scheme for the allocation of social and affordable rented homes in our Borough. It was proposed that a review would be carried out annually to ensure that the Housing Allocation Scheme remained relevant in meeting local housing needs and adhered to changes to the legal framework governing the allocations of social housing.
- 2.2 During the past twelve months, the incidence of homelessness across the Borough has soared with the Housing Options team reporting a 90% increase in homelessness applications. This is largely as a result of a significant increase in tenancy terminations in the private rented sector. Many landlords are seeking to capitalise on fast rising rents by evicting tenants on low incomes or welfare benefit. With the Government imposing a four year freeze on Local Housing Allowances; it is likely that private landlords will be even more reluctant to accept tenants in receipt of benefits in the years ahead.
- 2.3 In these circumstances, it is clear that the private rented sector no longer provides an affordable housing solution for many of our customers. The Housing Allocations Scheme needs to reflect this, recognising the diminishing contribution that the private rented sector will make towards meeting housing need and ensuring that scarce social housing is prioritised for those households in the greatest need.

### **3. CONSULTATION AND CUSTOMER IMPACT**

- 3.1 A consultation process has been undertaken with partners including housing associations and other local authorities, as well as Keyways customers and those that support them through the Keyways process. Feedback from this consultation process has informed the revisions to the Scheme.

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### 4. POLICY IMPLICATIONS

4.1 The revisions to the Housing Allocation Scheme in February 2015 resulted in a number of improvements to the way in which we allocate social housing. Its impact has been largely positive, as outlined below:

#### Positives:

- Applicants who are in unpaid work or who work regularly under zero hour contracts now qualify for Keyways.
- More statutory homeless applicants initially had their homelessness prevented through housing register offers of accommodation. Although, an increase in homelessness in the last 9 months has limited this.
- The higher priority (Band A) awarded to those suffering exceptional financial hardship has meant households circumstances are resolved quicker and reduces the burden on the Discretionary Housing Payment budget.
- The new Band C criteria for private rented tenants that offer a community contribution, has meant that the council has been able to provide partner landlords with successful nominations on new developments where a Local Letting Policy applies to maximise sustainable communities. At a time when private rents are increasing, this also gives households who may be on a low income, an opportunity to secure more affordable rented homes.

#### Negatives:

- The local connection criteria enabling applicants with 3 out of the last 5 years residency in Kettering Borough, has led to applicants that are resident outside of the Borough, qualifying for the housing register but then losing their local connection. This gives applicants false hope and inaccurate housing options.

4.2 Therefore, revisions to the Housing Allocation Scheme are proposed which will address the shortcomings of the previous scheme, and respond to the changing policy climate and housing market that we are now working in. All proposed amendments are included in the revised Housing Allocation Scheme document attached to this report. However, the main changes are summarised as follows:

- **Section 4.6: Existing social tenants: circumstances where an application may not be accepted** – It is proposed that there may be some circumstances in which the council can refuse an application on the grounds that an applicant's housing need can be better met in their current accommodation. An example is a council tenant requiring specialist adapted accommodation that is in short supply, and where it is viable to further adapt their current property in order to meet their medical needs. This will avoid applicants waiting on our housing register, for a property which is unlikely to become available, and which is likely to

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be direct let outside of the bidding process when it does become available.

- **Section 5.3: People with no local connection to Kettering Borough (residency)** – It is proposed that the local connection criteria for residency also requires a current residence in Kettering Borough at the point of application and nomination, in addition to the current requirement for 3 out of the last 5 years residency. This will avoid qualifying applicant's resident out of the borough 'losing' their local connection prior to an offer of accommodation.
- **Section 5.3: People with no local connection to Kettering Borough (employment)** – the Coalition Government's Right to Move scheme (regulations made in March 2015 Statutory Instrument 2015/967) prevents local authorities applying a local connection test that could disadvantage tenants who need to move across local authority boundaries for employment reasons. In line with the regulations, applicants without an established local connection but who need to move to take up, or continue employment, and who need to move to avoid hardship, will qualify for our housing register.
- **Section 5.3: People with no local connection to Kettering Borough (special circumstances)** – It is proposed that households accepted by Kettering Borough Council as statutory homeless will be awarded a local connection under special circumstances if they fail to establish a local connection to our housing register through residence, employment or family associations. The local connection criteria defined in Homelessness statute, differ to those criteria in our Keyways Housing Allocation scheme e.g. a homeless applicant can establish a local connection through residency for the purposes of homelessness through 6 out of the last 12 months residency. This proposed change will enable us to discharge our rehousing duties to statutory homeless and reduce time in temporary accommodation at a time when private rents are increasingly inaccessible for our customers.
- **Section 5.4: People who behave in an unacceptable way (housing related debt)** – It is proposed that the amount of housing related debt an applicant can owe before failing to qualify for Keyways is increased. Applicants in an urgent housing need will be considered if they have rent arrears or rechargeable repairs cumulatively totalling up to £500, in addition to other housing related debt, also up to £500. This will prevent applicants suffering financial hardship, maybe as a result of welfare reform, from being unable to access more suitable and affordable accommodation via Keyways.
- **Section 6.1: Band A Severe Overcrowding** – A new Band A criteria called Severe Overcrowding is proposed for all tenures. Our previous Band A criteria Category 1 hazard covered serious overcrowding but only for private and Housing Association tenants. This amendment ensures that severely overcrowded council tenants can be awarded an equivalent priority to move to larger accommodation.
- **Section 6.4: Band B End of Assured Shorthold Tenancy requiring family accommodation** - All private rented tenants that receive notice

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through no fault of their own are currently awarded a Band C priority. It is proposed that a new criterion is inserted within Band B for those that require family accommodation only. Such households are likely to be owed a full statutory homeless duty by Kettering Borough Council – this is the most common cause of homelessness locally. This change would increase the chances of homelessness being prevented through an offer of social housing prior to them requiring crisis homeless assistance.

- **Section 6.4: Band B Right to Move** – It is proposed that a new Band B criteria is inserted in Band B to satisfy our statutory obligations under the Right to Move Statutory Instrument to award reasonable preference under the hardship criteria to tenants seeking to transfer who need to move to be closer to work or to take up an offer of work.
- **Section 6.7: Band D Low Need for additional space** - It is proposed that this Band D criteria for applicants that are not overcrowded but whom would benefit from additional space, is removed. The housing market has changed significantly since this criteria being introduced at a time of lower demand for family accommodation following the introduction of the Spare Room Subsidy. There has been a significant increase in demand for accommodation from applicants in urgent housing need, particularly family houses, and applicants in this band will rarely be successful in receiving an offer of accommodation.
- **Section 11.3: Direct Offers** – applicants requiring 3 bedrooms but without dependents currently receive a lower preference for 3 bed family houses. The high demand for this type of accommodation means that they are unlikely to receive an offer. It is therefore proposed that we will make a direct offer of 3 bed flats / maisonettes to such household types when they become available.
- **Section 11.5: Parlour Type Houses** – due to a shortage of four bedroom accommodation, it is proposed that we allocate parlour type houses (defined as houses with three bedrooms and two reception rooms) to larger households requiring a minimum of 6 bedspaces. Currently households requiring 5 bedspaces are also eligible to be considered however most standard 3 bed houses accommodate 5 people in two double rooms and one single room meaning that these applicants already have sufficient housing options.
- **Appendix A: Allocation Preference Orders** - It is proposed that we include a new appendix A to the Housing Allocation Scheme which details our Allocation Preference Orders for each property type. It is hoped that applicants will find this tool useful for better understanding how we allocate each property type, and which criteria override others. It enables us to be more transparent in how we allocate a finite resource in high demand, and allows applicants to make informed choices regarding their bidding decisions.
- **Appendix B: Property Eligibility Matrix** – Some changes to the way that we allocate two bedroom flats are proposed. Firstly it is proposed that single applicants, childless couples and households needing two bedrooms but without dependents will no longer be eligible to bid for two bed flats with a garden. Currently these household types are eligible to

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bid but receive a reduced preference for this family accommodation. Due to an increased demand for family accommodation, such properties will be reserved solely for families. It is also proposed that applicants requiring two bedrooms will receive preference for two bedroom flats without a garden, over and above those requiring one bedroom.

- **Appendix B: Property Eligibility Matrix** – It is proposed that households with one dependent child will no longer be eligible to bid for three bedroom houses. Such applicants currently receive a reduced preference for this accommodation type, and this was introduced at a period of lower demand for 3 bedroom houses.

4.3 The two other Keyways local authority partners (Wellingborough and Corby) have recently reviewed their Housing Allocation Schemes in February and November 2015 respectively. The three policies will remain largely the same.

### 5. **FINANCIAL RESOURCE IMPLICATIONS**

5.1 Government paid a grant of £3,044 in April 2015 to fund the policy and associated I.T. changes associated with Right to Move.

### 6. **HUMAN RESOURCE IMPLICATIONS**

6.1 None at this stage.

### 7. **LEGAL IMPLICATIONS**

7.1 The proposed revisions are subject to confirmation from the Council's legal advisors that the modified scheme complies with all legal requirements.

7.2 The Housing Allocation Scheme will be monitored to ensure that all allocations made reflect housing need, requirements under the legal framework and any case law that effects the operation of the Scheme. It is proposed that a review of the Housing Allocation Scheme will be carried out annually.

### 8. **RECOMMENDATION**

8.1 It is recommended that the Executive Committee agrees to adopt the revised Housing Allocation Scheme attached to this report with immediate effect.

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#### Background Papers:

Title: Keyways Housing Allocation Scheme version 4May2016

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Date: 4<sup>th</sup> May 2016

Contact Officer: Carly Hohn – Housing Solutions Manger

Previous Minutes/Reports:

Ref:A14/034

Date:23<sup>rd</sup> February 2015