

BOROUGH OF KETTERING

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Report Originator	John Conway – Head of Housing	<i>Fwd Plan Ref No:</i> A16/049	
Wards Affected	All	20 th September 2017	
Title	KEYWAYS HOUSING ALLOCATION SCHEME		

Portfolio Holder: Cllr Mark Rowley

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 May 2016, the Executive Committee agreed to adopt a revised Housing Allocation Scheme for the allocation of social and affordable rented homes in our Borough. A review is carried out annually to ensure that the Housing Allocation Scheme remains relevant in meeting local housing needs and responds to changes to the legal framework governing the allocations of social housing.

This report updates the Executive Committee on the changing trends since the Housing Allocation Scheme was last reviewed. Since this time, we have continued to see changes in the local housing market and a significant increase in the demand for social housing.

- 2.2 Private rents are increasingly unaffordable for many of our customers, particularly at a time of fundamental welfare reform. Analysis of private rents locally has shown us that they are at least 35% higher than Local Housing Allowance rates (see table 1 overleaf). For those aged under 35 years eligible only for the Shared Accommodation Rate, Local Housing Allowance usually covers only half of the rent. The current Local Housing Allowance rates are frozen until 2020 regardless of how much private sector rents increase in this time.

Property size	Mean Rent - % above LHA rate
Room in shared house	82%
1 bed property	38%
2 bed property	35%
3 bed property	43%
4 bed property	64%

Table 1: Average private sector rents in Kettering – data August 2017, Rightmove

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- 2.3 The private rented sector is not an affordable housing solution for many of our customers, particularly those reliant on welfare benefits and those on low incomes. We therefore need to review the Housing Allocation Scheme to ensure that allocations of social and affordable housing continue to go to those people in the greatest need who have few alternative housing options.
- 2.4 There has been a significant increase in homelessness since August 2015, with the number of statutory homeless acceptances almost doubling in that year compared to the previous year. This trend of increasing homelessness is continuing and we are projecting that the number of acceptances in 2017/18 will exceed 200 – almost four times the level of acceptances seen three years prior:

Year	No. statutory homeless acceptances
2014/15	54
2015/16	105
2016/17	139
2017/18 projected*	211

Table 2: No. statutory homeless acceptances to Kettering Borough Council

- 2.5 The ending of a private tenancy is the biggest reason for statutory homelessness acceptances locally (40% in 2016/17) and those households who would typically source alternative private rents to resolve their threat of homelessness are now approaching the Council for homeless assistance due to the competitive market and unaffordable rents.
- 2.6 As a result of these trends, the scope to work with the private rented sector in preventing homelessness has diminished significantly over the past few years. In addition, the increase in the number of homeless households means that the scope for preventing homelessness through the housing register is considerably reduced as an increasing proportion of allocations are made to those to whom we owe a statutory rehousing duty (see table 3 below).

Year	No. properties allocated to statutory homeless applicants	% of allocations to statutory homeless applicants
2014/15	35	6%
2015/16	59	13%
2016/17	62	15%
2017/18 projected*	144	25%

Table 3: No. and proportion of properties allocated to statutory homeless households

- 2.7 The supply of housing for social rent is not keeping pace with demand, and the turnover of properties available for reletting has reduced. Table 4 shows the number of general needs social housing properties advertised via Keyways:

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Year	No. properties advertised on Keyways
2014/15	580
2015/16	449
2016/17	412
2017/18 projected*	571

Table 4: No. properties for rent advertised on Keyways in Kettering Borough

This shows a declining supply / turnover of available social / affordable rented properties in recent years, although we are projecting an increase in the number of properties to be let this year which is due to the Council's partnership work with housing associations and developers which ensures that the number of new affordable homes provided in the borough is maximised.

- 2.8 The increasing number of statutory homeless acceptances has been largely from families made homeless from the private rented sector. As the Council has a duty to secure long term accommodation for these families and with the private rented sector not usually offering a viable housing solution, the use of temporary accommodation is increasing whilst households are waiting for a social tenancy via Keyways. Some statutory homeless households do not currently qualify for Keyways due to previous unacceptable behaviour such as antisocial behaviour or housing-related debt. There are currently 117 households in temporary accommodation and this has significant financial implications for the Council.

Date	No. households in TA
31 st March 2015	24
31 st March 2016	47
31 st March 2017	79
29 th August 2017	117

Table 5: No. households accommodated in temporary accommodation

3. CONSULTATION AND CUSTOMER IMPACT

- 3.1 A four week consultation process has been undertaken with statutory and voluntary partners including housing associations, 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.
- 3.2 An Equalities Impact Assessment has been completed and is also attached for member's approval.

4. POLICY IMPLICATIONS

- 4.1 Keyways remains a sub-regional Choice Based Lettings scheme operated in conjunction with Corby Borough Council and the Borough Council of Wellingborough. These local authorities reviewed their Housing Allocation Schemes in June 2016 and November 2016 respectively. The three policies

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remain largely the same albeit with their own local connection preference criteria which gives priority to local residents over and above those from neighbouring boroughs.

- 4.2 The revisions to the Housing Allocation Scheme in May 2016 resulted in a number of improvements to the way in which we allocate social housing. Its impact has been largely positive. One of the main changes increased the level of priority for rehousing for families that had received a section 21 notice from their private landlord. This change has enabled us to prevent the crisis of homelessness for an additional 17 households since being adopted.
- 4.3 Whilst the changes were mainly positive, the significant increase in demand for housing and the fast paced change in the local housing market means that we need to propose further changes to ensure that the policy remains fit for purpose and continues to make best use of social housing stock.
- 4.4 Revisions to the Housing Allocation Scheme are proposed which will address the shortcomings of the previous scheme, and which 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:
- **General change** – a full review of the order and content of the Keyways Housing Allocation Scheme has been carried out with a view to ensuring that the document follows a more logical order, is more streamlined and is easier to understand. Previous annual reviews since the Keyways Housing Allocation Scheme was implemented in 2009 have focused more on specific and technical details resulting in a document that was disjointed and duplicated in places.
 - **General change** – some sections of the previous Housing Allocation Scheme related to internal procedures. Such sections were technical and not particularly easy for customers to understand. These sections have therefore been revised or removed from the main Allocation Scheme and relevant information will instead be made available to customers in a more user friendly format on the Keyways website and/or in a revised supplementary Guide to Using Keyways.
 - **Handling of Keyways applications from statutory homeless households** – due to the increase in homelessness, difficulties accessing private rented sector properties and increase in the use of temporary accommodation (explored in sections 2.2-2.8), changes are proposed to the way that we handle the Keyways applications from statutory homeless households to whom we have a legal duty to offer long term housing. It is proposed that statutory homeless applicants will usually be accepted onto Keyways to secure an offer of social housing where they might otherwise not qualify, for example due to housing related debt. Previous non-qualifying customers that are accepted onto Keyways will instead receive greater support to sustain any tenancy offered. Statutory homeless applicants will be able to bid on up to 5 properties per cycle and officers will have greater flexibility to bid on suitable properties on

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customer's behalf to maximise the chance of a timely offer. It is hoped that these measures will reduce the use of temporary accommodation particularly the length of stay that our customers experience.

- **Definition of a child** – further to a recommendation from the Local Government Ombudsman, the Housing Allocation Scheme has clarified the definition of dependent and non-dependent children in the context of who can be included on an application.
- **Changes to some Band A and Band B criteria relating to medical grounds** – experience from a number of recent cases highlighted anomalies in the level of priority awarded to applicants who require wheelchair adapted accommodation. The Band A criteria 'Major Adaptations' which applied to any applicant requiring such accommodation, has been removed. Applicants previously awarded this band will be re-assigned an appropriate priority for rehousing on medical grounds (Bands A, B, or C) depending on how unsuitable their current accommodation is and what their level of need is (whether severe, urgent or non-urgent).
- **Changes to overcrowding priority** – with the significant increase in demand for family accommodation, particularly from statutory homeless households, we have reviewed our approach to assessing overcrowding and the priority awarded to overcrowded households. The priority bands relating to overcrowding (which cross bands A, B and C) have been simplified and amended to reflect the approach to assessing overcrowding in the context of Allocations as recommended by the Secretary of State. This is based on a simple 'minimum bedroom standard' approach. The minimum bedroom standard looks at the number of bedrooms short that an applicant household requires on the basis of the age and gender of household members.
- **Removal of some priority bands** – there are some priority bands that relate to such specific circumstances that none, or very few, applicants have satisfied those banding criteria. It is proposed that these banding criteria are removed on the basis that such cases will meet other priority bands if a housing need exists.

5. **FINANCIAL RESOURCE IMPLICATIONS**

- 5.1 There will be no associated cost associated with the specific changes to the Allocation Scheme proposed in this report. We continue to work in partnership with Corby and Wellingborough Council's to allocate social housing and as a result share the associated costs of the Civica (formerly Abritas) I.T. system.

6. **HUMAN RESOURCE IMPLICATIONS**

- 6.1 None at this stage.

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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 continue to be monitored to ensure that all allocations made reflect local housing need, requirements under the legal framework and any case law that effects the operation of the Scheme. This includes any implications from the Homelessness Reduction Act 2017. It is proposed that a further review of the Housing Allocation Scheme will be carried out in 12 months.

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.

Background Papers:

Title

Date

Contact Officer

Previous Minutes/Reports:

Ref:

Date: