

# KETTERING BOROUGH COUNCIL

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<b>Report Originator</b>	John Conway – Head of Housing	<i>Fwd Plan Ref No: A18/032</i>	
<b>Wards Affected</b>	All	12 <sup>th</sup> June 2019	
<b>Title</b>	<b>KEYWAYS HOUSING ALLOCATION SCHEME</b>		

**Portfolio Holder: Cllr Mark Rowley**

## **1. PURPOSE OF REPORT**

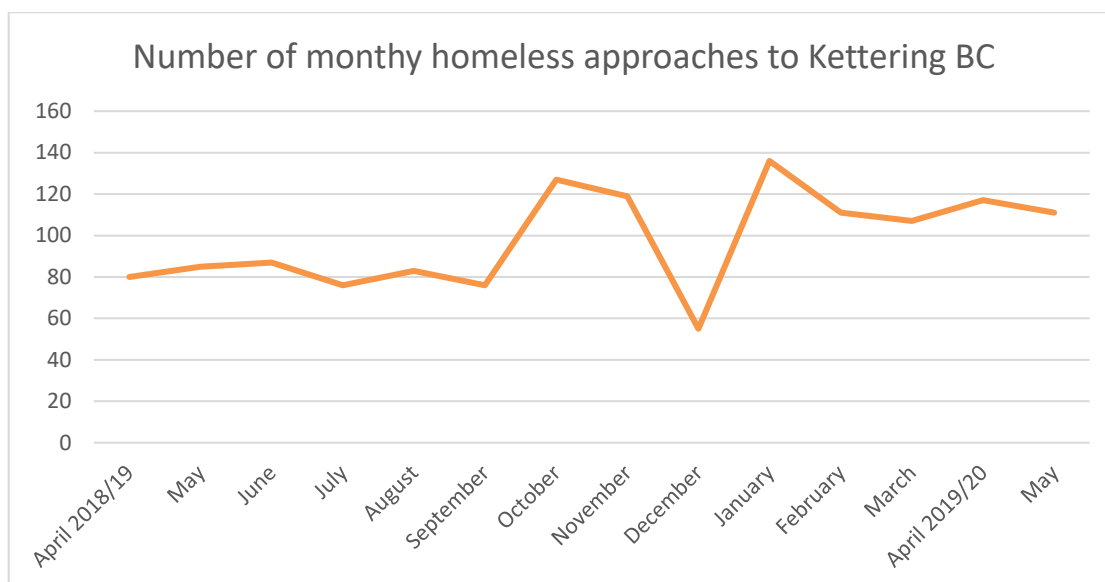
- 1.1 To seek Executive Committee approval of the revised Housing Allocations Scheme, which underpins the allocation of social rented homes to households in housing need across the Borough.

## **2. INFORMATION**

- 2.1 In April 2018, the Executive Committee agreed to adopt a revised Housing Allocation Scheme for the allocation of social and affordable rented homes. A review is carried out annually to ensure that the Housing Allocation Scheme remains relevant in meeting local housing needs and responds to changes in the legal framework governing the allocation of social housing.
- 2.2 This report updates the Executive Committee on the trends since the Housing Allocation Scheme was last reviewed. Since this time, we have continued to see a significant increase in the demand for social housing, particularly from those who have become homeless.
- 2.3 Changes were made to the Housing Allocation Scheme in April 2018 following the introduction of the Homelessness Reduction Act 2017. The Act places greater emphasis on local authorities preventing homelessness by engaging with households at an earlier point of 56 days prior to homelessness (called the Prevention Duty), and to relieve the homelessness of those households who have become homeless within 56 days (called the Relief Duty).
- 2.4 In the year following the introduction of the Homelessness Reduction Act 2017, the Council has seen 1,142 homeless approaches. 588 of these households were accepted as being owed a Prevention or Relief Duty with the ending of a private rented tenancy remaining the largest reason for homelessness, followed by friends or family no longer willing to accommodate. 110 households made an application as homeless and 68 (62%) of these households were found to be owed the Main Housing Duty which means the Council has a duty to provide those households with a permanent offer of accommodation.

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**Table 1: Analysis of monthly homeless approaches - 2018/19 & 2019/20**

2.5 The Keyways housing register remains our primary tool to prevent, relieve or discharge our homeless duties to households into alternative accommodation, especially at a time when the private renter sector is increasingly unaffordable for many of our customers. Analysis of private rents locally has shown us that they are at least 30% higher than Local Housing Allowance rates with the average private rent costing £607 per calendar month. For people aged under 35 years, eligible only for the Shared Accommodation Rate, Local Housing Allowance usually covers only half of the rent. Local Housing Allowance rates are frozen until 2020 but private sector rents are continuing to increase during this time.

**Table 2: Private rental market analysis in Kettering**

<i>Property size</i>	<i>Mean rent - % above LHA rate</i>
Room in shared house	49%
1 bed property	29%
2 bed property	29%
3 bed property	32%
4 bed property	34%

*Source: Rightmove*

2.6 The high level of homeless approaches, coupled with the inability of the private rented sector to offer a viable housing solution, and some homeless households not qualifying for Keyways, has resulted in a significant increase in the use of temporary accommodation (see table 3 overleaf). Since the introduction of the Homelessness Reduction Act 2017 there has been a 52% increase in the use of temporary accommodation.

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**Table 3: Analysis of temporary accommodation**

Year	No of households in TA at start of financial year	Change compared to previous financial year
2015/16	22	-
2016/17	65	+43
2017/18	96	+31
2018/19	126	+30
2019/20	191	+65

*Source: Homelessness Review*

- 2.7 Households spend an average of 8 months in temporary accommodation, although households requiring large family housing offering 4 bedrooms or more can spend over three years (see table 4). Currently, households accepted onto Keyways (barring households accepted as being owed the Main Housing Duty) are provided with the opportunity to choose which properties they wish to bid for on a weekly basis and are entitled to refuse one offer before they are sanctioned. This increases the length of time households are spending in temporary accommodation; there are currently no measures in place to ensure applicants consider all properties advertised on Keyways suitable for their household type.

**Table 4: Length of time spent living in temporary accommodation**

Length of time in TA	No. of cases
0-3 months	58
3-6 months	37
6-9 months	27
9-12 months	31
12-18 months	23
18-24 months	7
2-3 years	5
3+ years	3
TOTAL	191

*Source: KBC Housing Options*

- 2.8 To reduce the use of expensive nightly paid temporary accommodation, many homeless households are placed in the Council's housing stock on a temporary basis. As at 1<sup>st</sup> April 2019, 86 homeless households were occupying KBC stock, however this means that fewer properties are consequently available for advertisement via Keyways to assist in the prevention and relief of homelessness. There has been a significant reduction in the lettings via Keyways in 2018/19 as a result of this.

**Table 5: Number of lets via Keyways**

Year	No of lets via Keyways
2014/15	580

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2015/16	556
2016/17	405
2017/18	578
2018/19	437

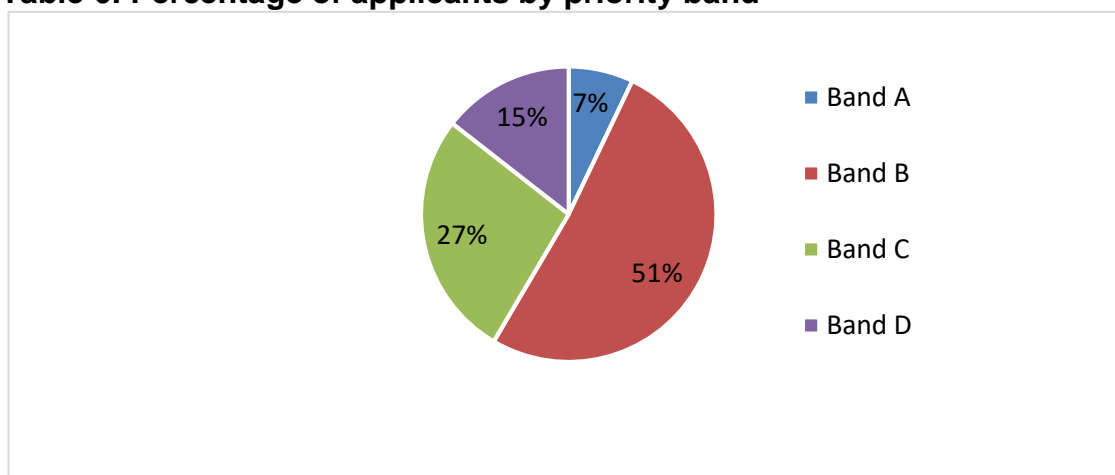
Source: Homelessness Review

### 3. POLICY IMPLICATIONS

3.1 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 last reviewed their Housing Allocation Schemes in April 2018 and January 2018 respectively. The three policies 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.

3.2 **Changes to the priority banding awarded to homeless households:** Previous revisions to the Housing Allocation Scheme in April 2018 were approved to assist in the prevention and relief of homeless households. However, due to the significant number of approaching homeless households it has resulted in a much larger than expected proportion of households now meeting the Homeless Prevention/Relief criteria within Band B: Currently 51% of the housing register is made up of Band B applicants. This limits our ability to use Keyways as an effective prevention tool. It means all homeless households are awarded the same priority regardless of significant differences in their household characteristics such as those who have dependent children, or are vulnerable, and likely to be owed a Main Housing Duty.

**Table 6: Percentage of applicants by priority band**



Source: Keyways April 2019

3.3 It is therefore proposed that the priority awarded to homeless households will be determined by virtue of whether they:

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- Establish a local connection to the Kettering Borough as defined in the Housing Allocation Scheme (*thus likely to be owed a Main Housing Duty by this Council*)
- Are pregnant, have dependent children or vulnerabilities that make them likely to establish a priority need (*thus likely to be owed a Main Housing Duty*)
- Have made their circumstances worse and are likely to be found intentionally homeless (*thus not likely be owed a Main Housing Duty*)

**Table 7: Proposed priority awarded to homeless households**

Duty	Local Connection	Likely Priority Need	Made circumstances worse	Band	Band	Band	Band
<b>Main Duty</b>	Y	Y	N	A			
<b>Relief Duty</b>	Y	Y	N		B		
<b>Prevention Duty</b>	Y	Y	N		B		
<b>Relief Duty</b>	Y	N	N			C	
<b>Prevention Duty</b>	Y	N	N			C	
<b>Relief/Prevention Duty</b>	Households who have NO LOCAL CONNECTION as defined under the Housing Allocation Scheme and/or MADE CIRCUMSTANCES WORSE (regardless of priority need)						D

**3.4 Management of homeless households - Autobidding:** The current Housing Allocation Scheme promotes choice to homeless households, including those in temporary accommodation, which reduces our ability to prevent and relieve homelessness and in turn contributes to increased time spent in temporary accommodation and associated costs. It is therefore proposed that all homeless households registered on Keyways are placed on an Autobidding system. Under this system, bids are automatically placed on the properties that homeless households are most likely to secure according to their calculated queue position. The Autobidding process will be explained to all households at the start of the homeless process and they will be asked to notify us of any areas in the Borough where they cannot live (for example, where there is an evidenced risk of harm). This process will provide homeless households with the best chance of securing a permanent home at the earliest opportunity.

**3.5 Active management of all other households:** To ensure that all households accepted as having a housing need are treated in an equitable and consistent manner, it is proposed that applications will be managed more actively. We are proposing that all other households on Keyways will be required to bid at least once every 6 months (subject to suitable properties that meet their household requirement being available). This is a reduction from the current 12 month requirement. This will ensure that households do not unnecessarily accrue

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waiting time placing them in a better position to secure an offer than homeless households, for instance. All households accepted onto Keyways are regarded as having a housing need, with the exception of Band D - No Housing Need, and are therefore expected to be regularly placing bids in an attempt to resolve their housing circumstances. Households who fail to bid within 6 months will fail to qualify for Keyways. Their application will be closed and no further application will be considered for 12 months.

- 3.6 Management of homeless households – offers and refusals:** Under the Homelessness Reduction Act 2017, local authorities are only obliged to make one offer of suitable accommodation to households accepted as being owed a Relief Duty. Refusal of this offer results in the local authority ending its duty to the household. In view of this, it is proposed that households awarded a Relief Duty will be entitled to only one offer of accommodation via Keyways. Refusal of this offer, subject to them being informed of the consequences of the refusal, will result in their Keyways application being closed and no further application being accepted for 12 months. This change mirrors the management of applications owed the Main Housing Duty.
- 3.7 Barriers accessing Keyways for homeless households:** A barrier for some homeless households to access Keyways is the qualifying criteria applied in Section 4.3.3 of the Scheme: Unacceptable Behaviour; specifically Housing Related Debt. This section precludes households who have housing related debt from accessing Keyways. It is, however, counterproductive for us to exclude a homeless household from accessing Keyways as a result of debt that is unrelated to their current incidence of homelessness as this leads to a prolonged stay in costly temporary accommodation. It is therefore proposed that households owed a homeless duty, that have housing related debt unrelated to their current incidence of homelessness, will be exempt from this non-qualifying criterion as long as a repayment plan has been established and is being strictly adhered to.
- 3.8 Increasing supply of larger family accommodation:** Low supply of large family properties via Keyways has resulted in large families waiting a significant length of time in temporary or unsuitable overcrowded accommodation. In order to increase the supply of four bedroom social/affordable homes becoming available we propose it insert a new Band A criteria ‘Releasing large family property’. Coupled with this we propose to offer households releasing 3 bedroom parlour type or 4 bedroom houses the possibility of being direct matched to alternative accommodation to free up their property even more quickly.
- 3.9 Removal of households with no realistic prospect of re-housing:** It is proposed that households awarded Band C Positive Residence History criterion are removed from the Keyways Housing Register. This criterion is awarded to households with ***no other housing need*** but who have successfully held a private rented tenancy for 6+ months, demonstrated a satisfactory tenancy history and met a community contribution criterion. However, in the current climate, an increasing number of working households are finding themselves

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homeless from the private rented sector through no fault of their own; ending of tenancies in the private rented sector is the biggest cause of homelessness locally. It is therefore counter-intuitive to encourage the ending of private rented tenancies particularly from households who are successfully sustaining those tenancies. The reality of the current demand from those in Bands A and B also means that Band C applicants awarded this criteria would be unlikely to secure an offer. The changes to auto bidding proposed in this document would only serve to further limit these applicants' chances of a successful offer. There is therefore an argument that it is not best use of resources, or providing the customer with false expectations by continuing to allow them onto the housing register. However, we understand the need for our housing estates to be sustainable communities rather than places for those who have run out of alternative housing options and have nowhere else to go. The households awarded this criterion who responded to our consultation strongly opposed the proposed removal with the majority saying that they were perhaps just one step away from being threatened with homelessness due to the affordability of their private rented tenancies. In view of this, the Committee may wish to consider the desirability or otherwise of removing this criterion from the Housing Allocations Scheme. The dilemma is whether we should give applicants hope that they will be rehoused where there is little prospect of that actually happening or we should continue to permit such applicants to join the register given the Council's aspiration that council housing estates should be socially balanced communities.

- 3.10 **Change in the allocation of ground floor need properties:** Clarification that households requiring a 1 or 2 bedroom ground floor property AND disabled adaptations to a property will not usually be considered for ground floor properties that do not provide the required adaptations. Analysis of Keyways lettings data has evidenced that there is a sufficient supply of both adapted and non-adapted ground floor properties to meet demand, therefore is it reasonable to require households to bid for properties that resolve their housing need in full. This proposed change will ensure that the Council is making best use of existing social housing stock and reducing the reliance on Disabled Facilities Grants and Adaptation waiting lists.
- 3.11 **Non-Qualifying criteria – Persons who have behaved in an unacceptable way:** Clarification on our position regarding Debt Relief Orders (DRO), Bankruptcy and Individual Voluntary Arrangements (IVA). The Council proposes to have regard to housing related debt that has been written off via these means for the purposes of assessing qualification for Keyways. Whilst such debt has been written off for the purpose of repaying it, the Council will be entitled to consider the reasons why it accrued in the context of assessing an applicant's suitability to be a social housing tenant.
- 3.12 **Non-Qualifying criteria – Other tenancy breaches:** It is proposed that a new non-qualifying criteria is inserted that enables the Council to have regard to other breaches of tenancy including unacceptable property and garden condition, not providing reasonable access for gas safety checks, and other instances of non-

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engagement in essential activities. In particular this will provide an incentive for transferring social tenants to leave their property in a good condition prior to us providing them with a new property. This will have a positive impact on property void time and the associated costs.

**3.13 Non-Qualifying criteria – Applicants who do not qualify due to income / assets:** When determining whether an applicant failed to qualify due to having sufficient financial means to resolve their housing needs on the open market, previous disposals of capital / assets could be regarded as available financial resources. This could lead to applicants not qualifying for Keyways who might be in significant housing need. We seek to clarify that in some cases applicants in significant housing need may be accepted onto Keyways to resolve their circumstances albeit at a lower priority band as a sanction for the deliberate depreciation of capital.

**3.14 General change:** Insertion of a new paragraph relating to the handling of Keyways applications from those who have declared an interest by virtue of being an employee or associated to an employee of the Council or other relevant associated organisations or bodies. It confirms that such applications will neither be advantaged nor disadvantaged. All Borough Councils within the Keyways sub-regional partnership have agreed to an internal code of conduct to formalise current practices of assessing such applications, namely they are reviewed by the Allocations Manager and senior management are notified for audit purposes.

#### **4. CONSULTATION AND CUSTOMER IMPACT**

**4.1** 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. Emails were issued to all pending, suspended and active applicants on the Keyways housing register. Letters were also issued directly to those households who would be impacted by the removal of the Band C criteria Positive Residence History. A news item was added to the Keyways and Kettering Borough Council websites and also displayed on the plasma screens within our Customer Service Centres. Current tenants were also informed of the proposed changes in the 'Connect' magazine as well as through a presentation at Tenants Forum.

**4.2** A total of 14 responses were received from applicants on the Keyways Housing Register. The responses are summarised as follows:

- 10 responses related to the removal of Band C Positive Residence History. The majority of these applicants felt that their current private sector accommodation was unaffordable to them and it was for this reason they had applied for Keyways. In each case, as this information was not provided previously, arrangements have been made for the households to undergo an affordability assessment to determine whether any other band/criteria is



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applicable to their circumstances. One applicant suggested that the group of applicants are reduced a priority band instead of removed altogether. 3 households also disclosed ill health reasons for wishing to remain on keyways therefore we have requested further evidence to support this to again determine if another band/criteria is applicable in order for them to remain on the housing register.

- A number of the households who provided comments regarding the removal of Band C Positive Residence History had been registered and bidding on Keyways since 2015. This evidences that households in this band/criteria have no realistic prospect of being housed.
- 1 applicant commented on the proposed change to the allocation of ground floor accommodation. He was in support of the change and would benefit from it.
- 1 applicant commented on the bidding inactivity rules and did not agree. Note the applicant had previously been removed from Keyways for not bidding for 2+ years despite properties becoming available that would resolve his housing need. This provides a clear example of some household's unrealistic expectation of the purpose of the Keyways housing register and unwillingness to bid on particular properties.
- 1 applicant was generally in favour of all the proposed changes.
- 1 applicant provided other general comments not relevant to the proposed changes.

4.3 An Equalities Impact Assessment has been completed.

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

5.1 There are no associated costs with the specific changes to the Allocation Scheme. The auto-bidding system is already in place in current IT systems.

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

6.1 None at this stage.

### **7. LEGAL IMPLICATION**

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- 7.1 The Council's legal advisors have confirmed 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.

**8. RECOMMENDATION**

It is recommended that the Executive Committee agrees to adopt the revised Housing Allocation Scheme.