

TELFORD & WREKIN COUNCIL

CABINET – 25th JUNE 2015

DRAFT HOUSING ALLOCATION POLICY AND TENANCY STRATEGY FOR TELFORD & WREKIN

JOINT REPORT OF ASSISTANT DIRECTOR: DEVELOPMENT, BUSINESS & EMPLOYMENT AND ASSISTANT DIRECTOR: FAMILY, COHESION & COMMISSIONING

LEAD CABINET MEMBER: CLLR RICHARD OVERTON

1. SUMMARY OF MAIN PROPOSALS

- 1.1 This report introduces draft consultation versions of Telford & Wrekin Council's Housing Allocation Policy and Tenancy Strategy. While the Council is no longer a landlord, it is still the strategic housing authority for the borough with a number of statutory duties and important responsibilities. Housing also impacts on the achievement of the Council's priorities and on many other service areas.
- 1.2 There has been considerable change in the housing policy context, both nationally and locally. This includes recent legislative changes, for example, the Localism Act 2011, the introduction of new policy & practice guidance and a number of new funding regimes.
- 1.3 There have been significant changes in local arrangements for accessing affordable and private rented housing. July 2014 saw the closure of *Chose Your Home* and the launch of two separate new arrangements to assess housing options and to access affordable homes. These were described in the earlier Cabinet report – *A New Approach to Supporting Housing Options* (June 2014).
- 1.4 The Council must now agree a new Housing Allocations Policy and also a Tenancy Strategy, linked to its Homelessness Strategy. These will enable it to work more effectively with housing associations to help meet the housing needs of local people. The draft documents are proposed for consultation with local Registered Providers (RPs), local agencies and other stakeholders.
- 1.5 This report describes:
 - The Council's relevant statutory responsibilities and how these should be met
 - The local policy context and background
 - A summary of the Council's draft Allocation Policy
 - A summary of the Council's draft Tenancy Strategy.
 - Proposed arrangements for future partnership working with local RPs to structure and formalise nomination arrangements by the Council to a proportion of their vacant homes.

2. RECOMMENDATIONS

- That Cabinet approve the Council's draft Housing Allocation Policy and Tenancy Strategy for consultation;
- That Cabinet agree a nine week period of consultation;
- That Cabinet delegate lead responsibility to the Assistant Director for Development, Business & Employment, in consultation with the Cabinet Member for Housing, Public Health & Protection, to update the documents. Any significant changes following external consultation are to be approved by Cabinet before the documents are finalised and published.

3. SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Priority Plan objective(s)?	
	Yes	The proposals within this report will contribute towards The Council's Community Strategy and Medium Term Plan, in particular: <i>Regenerating those neighbourhoods in need and working to ensure that local people have access to suitable housing</i>
	Will the proposals impact on specific groups of people?	
	Yes	Members of the community that are seeking, or living in, affordable or private rented housing.
TARGET COMPLETION/ DELIVERY DATE	It is proposed that consultation on these documents will take place from 1 st July to 7 th September 2015. This is a nine week period to take account of the summer holiday period. The documents will be finalised as soon as possible after the end of the consultation period.	
FINANCIAL/ VALUE FOR MONEY IMPACT	Yes	<i>The consultation process and the production of the final documents will be managed by existing officers with specialist advisor support as necessary. All costs will be contained within existing budgets. JAC 230115</i>
LEGAL ISSUES	Yes	<i>The Housing Act 1996 (as amended) sets out a number of Council duties and responsibilities including:</i> <i>a) a duty to have an Allocations Policy for determining the priorities and procedures to be followed in allocating housing accommodation</i> <i>b) a duty to have regard to its homelessness strategy and its current tenancy strategy when preparing or modifying its Allocations Policy</i> <i>c) a duty to have regard for relevant Secretary of State guidance when preparing/modifying its Allocations Policy</i> <i>d) a duty to comply with stated consultation and publication requirements before adopting its Allocations Policy</i>

		<p><i>As well as requiring the Allocations Policy to give reasonable preference to certain people, the 1996 Act also allows the Council to give additional preference to people of particular descriptions. In framing their qualification criteria, the Council needs to have regard for its duties under the equalities legislation. The Act states that the Council cannot allocate housing accommodation except in accordance with their Allocation Policy.</i></p> <p><i>The Localism Act 2011 obliges the Council to prepare and publish a Tenancy Strategy setting out the matters to which the registered providers of social housing for its district are to have regard in formulating policies relating to the kinds of tenancies they grant, when they grant tenancies of a certain kind, setting terms of tenancies and granting further tenancies. The Tenancy Strategy must be kept under review and when made or significantly modified the Council must comply with the stated publication and consultation requirements. When the Tenancy Strategy is being prepared or modified, the Council must have regard for its Allocations Policy and its Homelessness Strategy.</i></p> <p><i>The Council's draft Allocation Policy and draft Tenancy Strategy presented to Cabinet through this report for taking forward are a response to its responsibilities under the legislation referred to above and elsewhere in this report. (IR – 23/01/15).</i></p>
OTHER IMPACTS, RISKS & OPPORTUNITIES	Yes	<p>The proposals aim to enable the Council to develop an effective and coherent approach to working with local housing providers. This will help in meeting local housing needs and making the best use of the borough's housing stock.</p> <p>The Council is at risk of challenge by not developing these documents in a timely manner. Without them in place it will also lose some of its ability to influence and work with local housing providers.</p> <p>There are a number of risks in developing these documents but these can be mitigated by following a well-planned and inclusive approach.</p>
IMPACT ON SPECIFIC WARDS	Yes	The changes will impact on all Wards

4. INFORMATION

4.1 National Context

Housing Allocations Policy

4.1.1 The 1996 Housing Act (as amended by subsequent legislation including the 2002 Homelessness Act and the Localism Act 2011) requires all local housing authorities to:

- have a Housing Allocations Policy that complies with relevant legislation and regulations and which sets out the priorities for the allocation of social housing
- have a Housing Allocations Scheme which states how affordable homes in their area will be let (e.g. offering a choice of housing accommodation, or the opportunity to express a preference)
- make all housing allocations (and nominations) in accordance with the Policy
- publish a summary of the Allocations Scheme/Policy and make it freely available.

4.1.2 Local housing authorities, like Telford & Wrekin, that do not own housing stock must still adopt and publish a Housing Allocations Policy as, by law, they allocate homes when they:

- nominate a person to be an assured tenant of accommodation held by a Registered Provider (RP) [also known as a 'housing association'] or
- nominate a person to be a secure or introductory tenant of accommodation held by another housing authority

4.1.3 An Allocations Policy must give *reasonable preference* to applicants with certain housing needs including those:

- who are homeless (statutory and non-statutory)
- living in unsatisfactory housing conditions
- who need to move on medical or welfare grounds (including disability)
- who need to move to a particular locality in the area to avoid hardship (to themselves or others)

4.1.4 The most recent national code of guidance is *The Allocation of accommodation: guidance for local housing authorities in England, 2012*. This reflects legislative changes and flexibilities introduced by the Localism Act 2011. As a result of this local authorities:

- must not disqualify, and may give additional preference to, members of the Armed Forces and former Service personnel (where the application is made within five years of discharge)
- may prioritise applicants on the basis of behaviour, employment, contribution to the community or underoccupation.
- may disqualify some applicants where they, for example, have little or no prospect of being offered accommodation, have behaved unreasonably previously, do not have a local connection, are home owners.

4.1.5 On 9 March 2015 the Government announced that it would introduce 'Right to Move regulations to *ensure local connection requirements do not prevent social tenants from moving into the area to take up work or apprenticeship opportunities*'. It is expected that existing statutory guidance on housing allocations will be strengthened.

- 4.1.6 The Council's Allocations Policy will need to describe how housing need is to be assessed and prioritised. Also how potential applicants can apply for affordable housing in Telford & Wrekin.
- 4.1.7 Many local authorities have made use of freedoms and flexibilities under the Localism Act to influence who is eligible to apply for affordable housing and their priority for housing. The most relevant of these include: local connection, those not in housing need, owner occupiers, people with a history of tenancy breaches, people who have worsened their own housing circumstances. The Localism Act also introduced a new power for local authorities to discharge their statutory homelessness responsibilities in the private rented sector.
- 4.1.8 Some supported and specialist housing (including Extra care housing) in the borough is allocated through a joint housing and care/support pathway via an allocations panel. This is a form of Local Lettings Plan (LLP).
- 4.1.9 Under the Homes & Communities Agency's (HCA) Regulatory Framework for Social Housing, RPs must co-operate with local authorities' strategic housing function and their duties to meet identified local housing needs. This includes assistance with local authorities' homelessness duties and through meeting obligations in nominations agreements.
- 4.1.10 Whilst local authorities have a right to nominate to at least 50% of all RP voids (or more by agreement), the RP is still entitled to check whether the nomination is acceptable to them under their own policy and can refuse any nominee that would be disqualified.
- 4.1.11 Many RPs also have Local Lettings Plans, which are agreed with the local authority and published. These may include, for example, the need to have a local connection for a new rural housing development. They may also be used to help achieve specific objectives, for example, to promote balanced communities, to promote tenancy sustainment.
- 4.1.12 Authorities must also consult with RPs, other stakeholders and local people before adopting their Allocations Policy (or altering an existing policy). They must ensure that consultees have a reasonable opportunity to comment on the proposals.

Tenancy Strategy

- 4.1.13 The Localism Act 2011 also placed a new duty on local housing authorities to prepare and publish a Tenancy Strategy. This must set out the matters to which Registered Providers are to have regard in formulating their policies on tenancies.
- 4.1.14 The local authority's Tenancy Strategy should recommend to Registered Providers in its area:
- the type and term of tenancy they should grant and under what circumstances

- when another tenancy should be granted at the end of a fixed term tenancy
- what it expects of RPs in relation to housing advice and assistance where the tenancy will end after the fixed term.

This document should also be developed in full consultation with local stakeholders.

4.1.15 The Homes & Communities Agency (HCA) requires all RPs to have a tenancy policy.

4.2 Local Context

4.2.1 While Telford & Wrekin Council is no longer a landlord, it is still the strategic housing authority for the borough. It still has duties under the Housing Act 1996 related to preventing and addressing homelessness and providing housing advice and assistance. These include the provision to make allocations through nominating to RPs (housing associations) who own or manage homes in the area. The Council's broader housing responsibilities include meeting local housing needs (including the needs of the most vulnerable) and making best use of borough's housing stock.

4.2.2 The Wrekin Housing Trust is the largest RP in the borough with some 10,300 homes. There are three other large RPs – Bromford, Bournville Village Trust and Sanctuary – who together own 2,700 homes. There are also 15 other housing associations in the borough with a combined stockholding of around 300.

4.2.3 Since 2006, and until recently, access to the majority of social housing in the borough was managed through The Choose Your Home (CYH) choice-based lettings system. Under this, the local housing register for Telford & Wrekin was provided and managed by The Wrekin Housing Trust (WHT) on behalf of the Council and the largest local RPs. The housing register and lettings were governed by an Allocations Policy that was last reviewed several years ago, although temporary amendments were made in March 2013 to reflect national welfare reform. This was largely an open housing register and policy, although the RPs had stated that they would take the applicants' tenancy history (e.g. rent arrears or antisocial behaviour) into account prior to any offer of housing.

4.2.4 CYH and the local Housing Register closed in July 2014. There are now **two** completely different methods of letting most of the affordable homes in the borough, depending on the landlord:

- Wrekin Housing Trust (700 – 800 vacancies per year)
Applicants must complete an online application, at the end of which they are told whether or not they have been accepted into a small applicant pool retained for homes that are more frequently available.
- Bournville Village Trust, Bromford & Sanctuary (200 - 300 vacancies per year)
These three RPs now advertise all of their homes in Telford & Wrekin on the *Homes Direct* choice-based lettings scheme website.

4.2.5 As part of the Council's response to the above changes, the earlier Cabinet report *A New Approach to Supporting Housing Options* introduced two significant new approaches to meeting local housing needs:

- Telford Housing Options
An online housing assessment tool which generates a personalised housing options report.
- Telford Homefinders
A web-based Lettings Agency run by the Council which provides accredited rented accommodation through private landlords.

4.2.6 The Council is continuing to make nominations to RPs where applications are accepted as (or potentially) homeless. Since the Localism Act the Council has partly met its statutory duty to arrange temporary accommodation for those accepted as homeless through properties owned by private landlords. Continuing welfare reform changes and the introduction of Universal Credit may also impact on the Council in this area.

4.3 Housing Allocations Policy

4.3.1 Following the end of CYH, the Council must adopt a Housing Allocations Policy in order to comply with national legislation and for it to make nominations to RPs. The overall aim of a Housing Allocations Policy is to ensure that affordable housing in Telford & Wrekin is allocated fairly and objectively to those in greatest need, having regard to any legislative requirements and codes of guidance and regulations sets by the Government and the Homes & Communities Agency. The Policy is also intended to meet the following specific objectives:

- Enable everyone to make **informed choices** about their housing options
- Prevent homelessness and help people resolve their housing problems by giving advice and assistance to everyone
- Explain the council's priorities for those in housing need and to housing providers and other organisations
- To make sure that the housing needs of vulnerable applicants and those in priority need are given reasonable preference
- Enable the best use to be made of all available housing in the social sector, and all other affordable housing types within the borough
- Encourage sustainable communities
- Enable those who do not have a housing need (as identified within this policy) to secure their own accommodation by providing them with advice on the housing options available

4.3.2 The Allocation Policy prioritises housing need using four priority bands:

Band A	Emergency and high priority
Band B	Urgent need to move

Band C	Identified housing need
Band D	Low housing need

Full details of specific needs under each Band are described in Table 1 (p 17) of the full report.

4.3.3 As required by the Housing Act (1996) priority for social housing is given to the following 'reasonable preference' groups:

- Applicants who are homeless. This includes applicants where there is a statutory duty to rehouse as well as applicants who are intentionally homeless and those who are not in priority need.
- Applicants occupying unsanitary or overcrowded housing or otherwise living in unsatisfactory housing conditions.
- Applicants who need to move on medical or welfare grounds, including grounds relating to disability.
- Applicants who need to move to a particular locality in the district of the housing authority, where failure to meet that need would cause hardship (to themselves or others).

4.3.4 Priority is also given to the following 'additional preference' groups

- Those who would otherwise become homeless, which a planned move could prevent
- Those supported by council homelessness prevention initiatives
- Those whose health will significantly deteriorate without a move
- Those moving on from supported or specialist accommodation
- Those in adapted properties where the adaptations are no longer required
- Those needing to move to take up employment or to make it easier to get to work
- Households living in overcrowded accommodation
- Those who are under occupying a home which could be used to provide a home for a larger family
- Members of the armed forces and their families

4.3.5 The Council does not exclude a number of groups from applying for social housing in the borough e.g. those with no local connection, owner occupiers. However these are given the lowest level of priority under its Allocation Policy.

4.3.6 The Secretary of State determines who is ineligible for an authority's housing register (and for homelessness assistance). The Allocations Policy should state that persons from abroad who the Secretary of State has determined are ineligible should not be made an offer of housing.

4.4 Tenancy Strategy

4.4.1 The Council's draft Tenancy Strategy sets out its position on the use of fixed term tenancies and related matters. The draft Strategy:

- Notes the ability of RPs to offer fixed term tenancies to new tenants of between 2-5 years (following an introductory tenancy).
- Encourages RPs to offer longer or lifetime tenancies where possible.
- Supports the use of fixed term tenancies where appropriate, ideally for at least five years.
- Promotes the use of longer term or lifetime tenancies for groups whose circumstances are less likely to change over time. This may include helping older and vulnerable people (e.g. those with severe and chronic mental health issues) to live independently and to maintain housing stability and to promote health and wellbeing.
- Sets out suggested practice by RPs in relation to advice and assistance when a fixed term tenancy is coming to an end - particularly to prevent homelessness when a tenancy will not be renewed.
- Encourages RPs to make the best use of their housing stock, for example, by releasing specialist or significantly adapted homes where they are no longer required in order to assist hospital discharge.

4.4.2 Linked to the above, the Council recognises the introduction by RPs of tenancies based on affordable rents set at up to 80% of open market rents. Where possible the Council also supports the use of tenancies based on social (or 'target') rents, particularly in areas where housing and living costs may be relatively higher, e.g. the rural part of the borough.

4.4.3 RPs are required to have Tenancy Policies and the Council will have the opportunity to review these and influence them when they are updated over the next twelve months.

4.5 Working with local Registered Providers

4.5.1 As part of the process of developing a new Housing Allocation Policy, the Council will work in partnership with local Registered Providers (RPs) on the arrangements for nominating housing applicants to their vacant homes. Nominations must be appropriate and timely to help create stable neighbourhoods and keep people housed adequately.

4.5.2 Whilst local authorities have a right to nominate at least 50% of all RP voids, the RP can check whether the nomination is acceptable to them under their own Policy and may refuse any nominee that would be disqualified.

4.5.3 The Council will work with the main local RPs to negotiate an Overarching Nominations Agreement. Nominations may also be linked to planning consents for new developments and included in S106 agreements. In addition Local Lettings Plans will be agreed to help achieve balanced and sustainable communities.

- 4.5.4 The Council will request nomination rights for 50% of RP vacancies (initial lettings and relets). In the first instance this will focus on priority housing applicants (including people who are statutorily and non-statutorily homeless) through its Housing Options Team. Where the Council has provided free or discounted land, or other material assistance, it will request 75% nomination rights.
- 4.5.5 The Council will work closely with RPs to ensure that tenancies are sustained. It will ensure that nominated applicants receive full support and practical assistance to achieve and maintain a tenancy. These measures will complement existing social inclusion, employment preparation and tenancy sustainment initiatives by RPs.
- 4.5.6 The Council will monitor nominations on a monthly basis using the existing Housing Partnership Meeting as the forum for discussion between Council Officers and the RPs. A review will be carried out every three months, which will also consider the impact of current and future reforms to welfare benefits, the incidence of homelessness (including the geography and make up of housing need) and the impact of some RPs taking a more commercial approach to allocations. A full evaluation will be undertaken as part of an annual review of the Housing Allocations Policy.

5. CONCLUSIONS

Subject to approval, there will be a formal 9 week consultation period on the draft documents with RPs, local agencies and other stakeholders. Depending on the outcome of the consultation, these documents may need to be reconsidered by Cabinet prior to finalisation.

6. FINANCIAL RESOURCES

The consultation process and the production of the final documents will be managed by existing officers with specialist advisor support as necessary. All costs will be contained within existing budgets.

7. PREVIOUS MINUTES

A New Approach to Supporting Housing Options. Cabinet 26th June 2014.

8. BACKGROUND PAPERS

- The Housing Act, 1996.
- The Localism Act, 2011.
- Allocation of accommodation: guidance for local housing authorities in England (2012). Department for Communities and Local Government (DCLG).

- The Regulatory Framework for Social Housing in England from April 2012 (2012) Homes & Communities Agency (HCA).
- A New Approach to Supporting Housing Options. Telford & Wrekin Council (Cabinet Report, 26th June 2014).
- Homelessness Strategy, Telford & Wrekin Council (2013).
- The Right to Move: A Consultation Document (September 2014). DCLG.
- The Right to Move: response to consultation (March 2015). DCLG.

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