



CABINET REPORT

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| Report Title | Temporary Changes to Northampton's Housing Allocations Scheme |
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AGENDA STATUS: PUBLIC

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| Cabinet Meeting Date: | 13 September 2017 |
| Key Decision: | Yes |
| Within Policy: | Yes |
| Policy Document: | No |
| Directorate: | Chief Executive's |
| Accountable Cabinet Member: | Councillor Stephen Hibbert |
| Ward(s) | All |

1. Purpose

- 1.1 In Northampton, the number of households applying to the Council for assistance under the homelessness legislation has risen sharply since April 2016.
- 1.2 As the Homelessness Officers' caseloads have snowballed, a large backlog of more than 200 outstanding homelessness applications has built up and the total number of homeless households living in temporary accommodation (including out-of-borough Bed & Breakfast accommodation) has more than doubled.
- 1.3 The purpose of this report is to ask Cabinet to approve a series of temporary changes to Northampton's Housing Allocations Scheme that are designed to help the Council halve the number of homeless households living in temporary accommodation, reduce by 90% the number of households living in Bed & Breakfast, and end the need to place homeless households in out-of-borough accommodation.

2. Recommendations

- 2.1 It is **recommended** that Cabinet approves the following temporary changes to the Housing Allocations Scheme (set out in detail in **Appendix A**) for a fixed period of 9 months, commencing on 1 October 2017 and ending on 30 June 2018:
- (a) Where the Council accepts a rehousing duty to a household whose homelessness application has taken more than 8 weeks to investigate and determine – including those households whose applications are part of the backlog of outstanding homelessness decisions – the household’s ‘priority date’ in the Emergency Band will be adjusted to a date that is 8 weeks after the date that their homelessness application was received;
 - (b) Where a homeless household is living in temporary accommodation and 6 weeks have elapsed since the Council has accepted a rehousing duty to them, Northampton Partnership Homes will proactively consider them for a ‘direct offer’ – based on their relative priority – and, after notifying the household, the Council and/or Northampton Partnership Homes may undertake ‘proxy bidding’, for all suitable properties, on their behalf; and
 - (c) Northampton Partnership Homes will set aside an average of up to 5 properties a fortnight for ‘direct offers’ to homeless households for whom the Council has accepted a housing duty.

3. Issues and Choices

3.1 Report Background

- 3.1.1 During the past 18 months, the Council has struggled to deal with a sharp rise in the number of homelessness applications and, despite Officers’ best efforts, a large backlog of more than 200 outstanding homelessness decisions has built up.
- 3.1.2 This problem has been compounded by the Council’s difficulty in recruiting experienced Homelessness Officers to cover for maternity leave and vacant posts.
- 3.1.3 Between March 2016 and August 2017, the number of homeless households living in the Council’s temporary accommodation increased by 182% from 66 to 186 and, during the same period, the number of these homeless households that were living in Bed & Breakfast accommodation increased by 164% from 33 to 87.
- 3.1.4 The delays in making homelessness decisions, combined with the sharp rise in the number of homelessness applications, have resulted in households spending much longer in temporary accommodation than they would have done in the past.
- 3.1.5 Extended stays in temporary accommodation can cause severe hardship for the households involved, especially those households (including families with children) that are placed in Bed & Breakfast outside of the Northampton borough.

3.1.6 The Council is only able to recover part of what it pays housing suppliers for the temporary accommodation it uses. This means that extended stays and an increase in the number of placements are having a significant impact on the Council's budget.

3.1.7 As at 22 August 2017, the situation was as follows:

- 186 homeless households were living in temporary accommodation (including 87 households in Bed & Breakfast accommodation)
- 40 homeless households were living in temporary accommodation that is situated outside of the Northampton borough
- The average caseload of each full-time Homelessness Officer was 50
- The net cost (to the Council) of providing homeless households with temporary accommodation was more than £50,000 per month

Reducing the use and cost of temporary accommodation

3.1.8 In order to reduce the use and cost of temporary accommodation, the Council has developed a comprehensive action plan that is designed to achieve the following within the next 12 months:

- Halve the number of households living in temporary accommodation;
- Reduce by 90% the number of households living in Bed & Breakfast; and
- End the need to place households in temporary accommodation that is situated outside of the Northampton borough.

3.1.9 To support the implementation of the action plan, the Council has set aside additional funding from its housing reserves to clear the backlog of outstanding homelessness decisions, reduce by two thirds the caseload of each Homelessness Officer and reduce, to 4 weeks, the average time it takes to make a homelessness decision.

3.1.10 By reducing homelessness decision times, the Council will be able to ensure that:

- Where it is decided that the household is owed a housing duty, they are quickly awarded the highest priority on the Housing Register and can be rehoused into suitable housing as soon as possible; and
- Where it is decided that the household is not owed a housing duty (because they are deemed to be intentionally homeless or not to be in priority need, for example), temporary accommodation can be withdrawn as soon as possible.

Northampton's Housing Allocations Scheme

- 3.1.11 Northampton's Housing Allocations scheme ensures that, in the majority of cases, affordable rented housing is allocated to those households with the greatest need and that, as far as possible, homes are allocated in a way that promotes social cohesion and balanced sustainable communities.
- 3.1.12 Local housing authorities have a statutory duty to give certain categories of applicant 'Reasonable Preference' for housing. These categories are set out in the Housing Act 1996 (as amended) and ensure that the greatest priority is awarded to those applicants who are assessed as having the highest housing need.
- 3.1.13 The Housing Allocations Scheme determines the relative priority between applicants with Reasonable Preference, taking into account a variety of different factors, including the financial resources available to the households and the contribution that an applicant makes to Northampton or their local community through, for example, their employment or volunteering.
- 3.1.14 The circumstances of each housing applicant are assessed and their application is placed in one of four Bands: Emergency, Band A, Band B or Reduced Priority.
- 3.1.15 Within each Band, applicants are prioritised on the basis of a 'priority star' system and their 'effective date' (this is normally their date of registration).
- 3.1.16 A 'priority star' is awarded to applicants in the following categories:
- People owed a statutory homelessness duty under the Housing Act 1996;
 - People occupying unsanitary or statutory overcrowded housing (as defined by Part 10 of the 1985 Housing Act) or otherwise living in unsatisfactory housing conditions in accordance with hazards identified through the Housing Health and Safety Rating System as confirmed by the Northampton Borough Council;
 - People who need to move on severe medical / severe welfare grounds;
 - People who need to move to a particular locality in their district where failure to meet their needs would be detrimental to their health and wellbeing and cause severe hardship.
- 3.1.17 An additional 'priority star' is awarded in the following circumstances:
- They are working (as defined in the Housing Allocations Scheme); or
 - They are volunteering / making a community contribution (as defined in the Housing Allocations Scheme).
- 3.1.18 When the Council decides that it owes a rehousing duty to an applicant under the homelessness legislation, this is normally the date that the applicant's housing application is placed in the Emergency Band.

3.2 Issues

Removing barriers to the rehousing of homeless households

- 3.2.1 When the Council decides that it owes an applicant a rehousing duty under the homelessness legislation, it will ensure that their housing application is quickly awarded the highest priority, so that they can be rehoused as soon as possible.
- 3.2.2 Unfortunately, however, there are a number of reasons why the rehousing of homeless households may be delayed:
- Other housing applicants in the Emergency Band may have an earlier 'priority date' or have been awarded an additional 'priority star' because they are working or making a community contribution.
 - The applicant may have delayed submitting their housing application and/or failed to supply Northampton Partnership Homes with the necessary supporting documentation in a timely manner.
 - The applicant's homelessness application may be one of the dozens caught up in the large backlog of outstanding homelessness applications awaiting a decision. As their housing application cannot be placed in the Emergency Band until a rehousing duty is established, the Council's delay in issuing a homelessness decision will ordinarily result in them being given a later 'priority date'.
 - The applicant may fail to 'bid' for properties or restrict their rehousing prospects by 'bidding' only for properties that are most sought after.
- 3.2.3 In order to ensure that homeless households are rehoused in affordable rented housing as soon as possible after the Council has completed its homelessness enquiries and accepted a housing duty for them, it is essential that every homeless household for whom a housing duty is accepted submits a valid housing application promptly and plays an active role in 'bidding' for suitable homes.
- 3.2.4 It is essential, also, that the rehousing of homeless households is carefully managed and closely monitored, and that everyone is actively encouraged and assisted to move out of temporary accommodation as quickly as possible.

3.3 Choices (Options)

- 3.3.1 To support the Council in its efforts to halve the number of homeless households in temporary accommodation, achieve a 90% reduction in the number of households living in Bed & Breakfast and end the need to use out-of-borough temporary accommodation, temporary changes are needed to the Housing Allocations Scheme in order to remove some of the barriers to the rehousing of homeless households.
- 3.3.2 If agreed, these changes will complement the action that the Council is already taking to clear the large backlog of outstanding homelessness decisions and reduce the amount of time that homeless households spend in temporary accommodation.

- 3.3.3 Officers have considered the various options available and have concluded that it is in the best interests of the borough to make a series of temporary changes to the Housing Allocations Scheme in order to achieve a short-term increase in the number of homeless households that are moved out of temporary accommodation.

Temporary Change 1: Adjustment of the 'effective date'

- 3.3.4 It is proposed that, for a period of 9 months commencing on 1 October 2017, homeless applicants that have waited more than 8 weeks for notification that the Council accepts a rehousing duty to them and will place them in the Emergency Band – including those households whose applications are part of the backlog of outstanding homelessness decisions – will have their 'priority date' adjusted to a date that is 8 weeks after the date their homelessness application was made.
- 3.3.5 This temporary change will affect Paragraphs 3.6.6 and 5.1.3 of Northampton's Housing Allocations Scheme (see **Appendix A**).
- 3.3.6 As most households have no control over the time it takes the Council to complete its homelessness enquiries and issue a decision, it is entirely appropriate and equitable that the applicant's 'priority date' is adjusted to reflect the fact that a decision should have been made within 8 weeks at the very latest.
- 3.3.7 In view of the action that is being taken to clear the backlog of outstanding homelessness decisions and issue all homelessness decisions within an average of 28 days (4 weeks), it is essential that housing applicants who made a homelessness application in 2016/17 or 2017/18 are not seriously disadvantaged by the Council's delay in issuing them with a homelessness decision.
- 3.3.8 Although consideration was given to 'adjusting' the 'priority date' to 4 weeks (the new target that the Homelessness Officers have been set for issuing homelessness decisions after the backlog has been cleared), this option was rejected on the grounds that many homelessness applications take quite a long time to determine, so a wait of up to 8 weeks is not unreasonable under the circumstances.

Temporary Change 2: Use of 'direct offers' and 'proxy bidding'

- 3.3.9 It is proposed that, for a period of 9 months commencing on 1 October 2017, Northampton Partnership Homes will review the housing applications of all homeless households that are living in temporary accommodation and, where at least 6 weeks have elapsed since the Council accepted a rehousing duty to them, it will proactively consider them for a 'direct offer', based on their relative priority.
- 3.3.10 This temporary change will affect Paragraphs 1.47, 3.2.1, 3.13.4 and 7.44 of Northampton's Housing Allocations Scheme (see **Appendix A**).
- 3.3.11 It is also proposed that, during the same 9 months period, Northampton Partnership Homes and/or the Council may undertake 'proxy bidding', on behalf of homeless households, for all suitable properties.
- 3.3.12 The increased use of 'direct offers' and the introduction of 'proxy bidding' reflect the Council's commitment to ensuring that the rehousing of homeless households is carefully managed, closely monitored and prioritised.

3.3.13 Although consideration was given to making 'direct offers' to all homeless households living in temporary accommodation – based on their relative priority – the use of 'proxy bidding' is more transparent and ensures that the maximum number of homeless households are actively being considered for rehousing at all times.

Temporary Change 3: Up to five 'direct offers' a fortnight to homeless households

3.3.14 It is proposed that, for a period of 9 months commencing on 1 October 2017, Northampton Partnership Homes will make up to 5 'direct offers', on average, each fortnight to homeless households for whom the Council has accepted a duty.

3.3.15 This temporary change will affect Paragraph 3.22 of Northampton's Housing Allocations Scheme (see **Appendix A**).

3.3.16 Although these 'direct offers' will be made to homeless households on the basis of their relative priority, they will play an important role in helping the Council to reduce the amount of time that homeless households spend in temporary accommodation and increase the number of households moved out of temporary accommodation.

3.3.17 Consideration was given to increasing the number of 'direct offers' made to homeless households living in temporary accommodation. However, it was decided that, over the next 9 months, almost 100 homes will be let to homeless households in this way and that, together with the homes let through choice based lettings, this will help to reduce the number of households living in temporary accommodation.

4. Implications (including financial implications)

4.1 Policy

4.1.1 The action that the Council is proposing to take is in line with Council policy and reflects the priorities in the Corporate Plan 2016-20.

4.2 Resources and Risk

4.2.1 During the past 18 months, there has been a sharp rise in the number of households applying to the Council for assistance under the homelessness legislation, the number of households placed in temporary accommodation has more than doubled and a large backlog of around 200 outstanding homelessness decisions has built up.

4.2.2 Given the very high cost of temporary accommodation – and the fact that only a small part of this cost is met from charges and government subsidies – it is essential that every opportunity is taken to reduce the use and cost of temporary accommodation.

4.2.3 A comprehensive action plan – funded, in the main, from housing reserves – has been developed to clear a large backlog of outstanding homelessness decisions, reduce the Homelessness Officers' workloads, ensure that homelessness decisions are made more quickly, and reduce the use and cost of temporary accommodation.

4.2.4 The temporary changes proposed in this report are designed to accelerate the rehousing of homeless households and, in doing so, contribute to a fall in the number of households living in temporary accommodation. This will, in turn, reduce the amount of money that the Council spends on temporary accommodation.

4.2.5 The Head of Housing & Wellbeing has confirmed that the impact of these temporary changes to the Housing Allocations Scheme, including their effectiveness in accelerating the rehousing of homeless households and reducing the use and cost of temporary accommodation, will be closely monitored.

4.3 Legal

4.3.1 The Council is required by the Housing Act 1996 s166A to have a scheme for determining priorities and as to the procedure to be followed in allocating housing accommodation, and to allocate accommodation according to that scheme.

4.3.2 The scheme applies to (i) selection to a secure or introductory tenancy in its own stock (ii) nomination to be a secure or introductory tenant of another provider's stock and (iii) nomination to an assured tenancy of stock held by a private registered provider or a registered social landlord.

4.3.3 A local housing authority shall not allocate housing accommodation except in accordance with their Allocation Scheme.

4.3.4 In framing its Scheme and keeping it under review, the Council must have regard to its own Homelessness and Tenancy Strategies. The Council must give reasonable preference to certain categories of persons – in particular those found to be homeless within Part VII of the Housing Act 1996. Section 166A states that a Council may modify its Scheme.

4.3.5 There is no statutory provision preventing the Council from making temporary modifications to its Scheme in order to secure compliance with its own Homelessness Strategy.

4.3.6 If an adopted Scheme is to be altered 'reflecting a major change of policy' then there must be consultation. There is no definition of what constitutes a 'major change' although it is suggested that this would mean a change which affects the relative priority of a large number of people or significant changes to the process to be followed; it is not necessary to consult on minor changes.

4.3.7 The changes recommended by this report do not constitute major changes as it is likely they will only substantively affect homeless households and will be of little detriment to any other category of housing applicant.

4.3.8 The key risks to the Council is the continuing use of the existing Housing Allocation Policy which contributes to a delay in rehousing homeless households from temporary accommodation within the Borough.

4.3.9 The Council's functions relating to the provision of social housing and its Housing Allocation Scheme with regard to the Housing Act 1996 are executive functions and any decision to amend the Policy must be made by resolution of the Cabinet in accordance with the provisions of the Local Government Act 2000 and the Council's constitution.

4.4 Equality and Health

4.4.1 A full Community Impact Assessment has been completed.

- 4.4.2 These temporary changes to the Housing Allocations Scheme will have an overwhelmingly positive impact on people with different protected characteristics and will help the Council to address and mitigate the problems caused by homelessness.
- 4.4.3 The analysis of impact by protected characteristic predicts that the temporary changes to the Housing Allocations Scheme will contribute to a reduction in the health inequalities and social and economic exclusion of people with any combination of protected characteristics who are disproportionately affected by homelessness.
- 4.4.4 These changes are part of the Borough Council's commitment to improving communities and our town as a place to live. In implementing them, the Council will have due regard to its Public Sector Duty and will continue to work to tackle discrimination and inequality and contribute to the development of a fairer society.

4.5 Consultees (Internal and External)

- 4.5.1 If the proposed changes are approved by Cabinet, details of the changes will be posted on the Council's website and Northampton Partnership Homes' website, and registered providers will be sent a letter of explanation.

4.6 How the Proposals deliver Priority Outcomes

- 4.6.1 The temporary changes to the Housing Allocations Scheme will help meet 2 of the priorities in the Corporate Plan:
- **Housing for Everyone.** They will accelerate the rehousing of homeless households and support the implementation of the Council's action plan for halving the number of homeless households in temporary accommodation.
 - **Working Hard and Spending your Money Wisely:** They will help to reduce the use and cost of temporary accommodation by ensuring that all homeless households spend as little time as possible in temporary accommodation.

Appendices

Appendix A – Temporary Changes to the Housing Allocations Scheme

Background Papers

Community Impact Assessment
Housing Allocations Scheme (December 2013)

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APPENDIX A

Temporary Changes to the Housing Allocations Scheme

For a fixed period of 9 months (between 1 October 2017 and 30 June 2018), Northampton's Housing Allocations Scheme will be temporarily amended.

The proposed amendments are highlighted, below, in **bold, underlined text**.

CHANGES TO SECTION 1.4 (ADVICE AND ASSISTANCE)

1.4.7 General Information about the scheme will be made available as follows:

- a) Information about the procedures for applying to go onto the scheme and for applying for advertised vacancies
- b) Information about how applicants are prioritised under this scheme
- c) How successful applicants will be selected
- d) Rules on how properties will be advertised including bidding cycles and restrictive labelling for example, certain properties will only be allocated to customers who meet the mobility requirements of the property
- e) Information about how you can request a review of those procedures
- f) Information about the Registered Providers that have vacancies advertised through the Choice Based Lettings scheme as nominations
- g) Applicants will also be provided with information regarding their own application which will include:
 - (i) What band they are awarded under this scheme
 - (ii) What properties they are entitled to bid for
 - (iii) What their chances are of bidding successfully on the property types and areas in which they are interested **and, if they are homeless and living in temporary accommodation, what may happen in terms of 'direct offers' and 'proxy bidding' if they have been in the Emergency Band for at least six weeks and have not yet made a successful bid for accommodation**
 - (iv) What information they need to supply in regard to verification and references and when this information will need to be provided
 - (v) What is the average time to wait for each property type for each priority housing needs group

(vi) Information will be provided in writing, on DVD, on the web site and via verbal information

(vii) If they are awarded reduced priority or are found to be ineligible what they need to do to rectify this.

CHANGES TO SECTION 3.2 (DIRECT OFFERS)

3.2.1 Whilst the majority of applicants will be housed through the Choice Based Lettings system, the Council may in certain circumstances make direct offers to applicants in the following circumstances, provided applicants qualify and are assessed in accordance with this policy and as being in urgent housing need:

- a) situations where urgent rehousing is required due to **the applicant spending an excessive amount of time in temporary accommodation provided by Northampton Borough Council, or** an existing property being uninhabitable, or where there are serious health and safety or personal protection issues to be addressed to discharge a statutory homelessness duty
- b) other urgent housing need situations where in the circumstances it would not be reasonable to wait for the Choice Based Lettings process to take place, this would include Landlord Transfer requests
- c) cases where the tenant has died and there is no right of succession where the Authority has agreed to rehouse the applicant in an alternative property
- d) threat to life in the area in which the applicant currently resides
- e) emergency cases whose homes are damaged by fire, flood or other disaster may be provided with other accommodation if it is not possible to repair the existing home
- f) households who, on police advice, must be moved immediately due to serious threats to one or more residents of the household
- g) to facilitate a three way (or greater) mutual exchange. Mutual exchanges are not an allocation, but where the Authority is satisfied that to do so would make best use of its housing stock and support the needs of the tenants involved, rather than a direct swap (assignment) taking place, the Council may make available a property for three-way exchange
- h) All direct offers of accommodation will be authorised by Team Leaders within Housing Solutions and Landlord Services, following detailed reports being received and produced detailing the extenuating circumstances.

3.2.2 Between 1 October 2017 and 30 June 2018, an average of up to five 'direct offers' per fortnight may be made to homeless households living in temporary accommodation as part of the action the Council is taking to reduce the amount of time homeless households spend in temporary accommodation.

CHANGES TO SECTION 3.6 (HOW TO APPLY)

- 3.6.6 If the information is not supplied, the application for housing will **normally** not progress any further and applicants will be expected to apply at a later stage when they are able to provide all of the relevant supporting documentation. **However, where the applicant has made a homelessness application to Northampton Borough Council, the application for housing will continue to be processed and will only be cancelled if the Council subsequently decides that it does not owe the applicant a housing duty under the homelessness legislation and the applicant fails to provide all of the relevant supporting documentation.**

CHANGES TO SECTION 3.13 (REVIEW OF HOUSING REGISTER)

- 3.13.4 **Where the applicant is homeless and living in temporary accommodation provided by Northampton Borough Council, they may be made a 'direct offer' of suitable accommodation or subject to 'proxy bidding' (by Officers of the Council or Northampton Partnership Homes) if they have been in the Emergency Band for at least six weeks and have not made a successful bid for accommodation.**

CHANGES TO SECTION 5.1 (REGISTRATION DATE)

- 5.1.1 The registration date is the date a fully completed application is received by Northampton Borough Council, except where there is a change to the applicant's Band (see section **5.2.2** below). This date affects priority within each band.
- 5.1.3 If **an applicant's change of circumstances result in** a higher or lower priority banding being awarded it will be the date of moving in to the higher / lower banding that will be the priority date **and, where Northampton Borough Council accepts a rehousing duty to an applicant whose homelessness application has taken more than 8 weeks to investigate and determine, the household's 'priority date' in the Emergency Band will be adjusted to a date that is 8 weeks after the date that their homelessness application was received.**

CHANGES TO SECTION 7.4 (BIDDING & NOMINATION PROCESS)

- 7.4.4 **On occasions,** the Council may choose not to advertise a property through the Choice Based Lettings Scheme due to the serious nature and needs of the applicants **or as part of the Council's efforts to reduce the amount of time that homeless households spend in temporary accommodation.** In these cases, properties will be direct let and remain confidential to protect the applicant.