

Meeting:	Cabinet
Meeting date:	10 March 2016
Title of report:	Approval of strategic housing documents
Report by:	Joint commissioning manager

Classification

Open

Key Decision

This is a key decision because it is likely to be significant in terms of its effect on communities living or working in an area comprising one or more wards in the county.

NOTICE has been served in accordance with Part 3, Section 9 (Publicity in Connection with Key Decisions) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012

Wards Affected

County-wide

Purpose

To approve the housing strategy for Herefordshire, the homelessness prevention review and strategy, the allocations policy and the tenancy strategy.

Recommendation(s)

THAT:

- (a) the allocations policy for Herefordshire 2016 (at appendix 1 to this report) be approved;**
- (b) the homelessness review and prevention strategy for 2016 to 2020 (at appendix 2 to this report) be approved; and**
- (c) the interim housing strategy for 2016 to 2020, incorporating the tenancy strategy for 2016 to 2020 (at appendix 3 to this report) be approved.**

Alternative options

- 1 To not approve a contemporary homelessness prevention review or strategy. This option is not recommended, since both the review and the strategy are statutory requirements and the existing documents need refreshing to ensure they remain fit for purpose. The council is required to review regularly the extent of actual and threatened homelessness in the county and the effectiveness of measures taken to prevent and relieve it. It must also set out its plans to tackle homelessness in the coming years.
- 2 To not adopt a housing strategy. Whilst it is not a statutory requirement, this option is not advised. The scale and complexity of the housing challenges facing Herefordshire are significant and the strategy is an opportunity to describe how local issues and new national policy will be addressed. In addition, it will serve to define key priorities relating to health and wellbeing and housing development.
- 3 To continue with the allocations policy in its current form, without any revision. This option is not advised, owing to the current difficulties arising from the application of the policy. These encompass access to housing, effective use of housing stock, housing development, statutory compliance and reputational issues.

Reasons for recommendations

- 4 As strategic housing authority for Herefordshire, the council has a lead role in identifying housing need and co-ordinating the assets and resources of the housing economy accordingly. In so doing, it must comply with a myriad of established housing law and seek to maximise the strategic impact of housing provision. The council's own housing resources and statutory powers are now greatly diminished and so more than ever, it works in partnership with social housing providers, developers and others. These partnerships and the priorities they address are reflected in three key strategic documents; the housing strategy, homelessness review and prevention strategy and the housing allocations policy. All these documents have come to require review and revision during 2015 and are now presented for approval.
- 5 Each of the documents' purposes is distinct and originally they were to be revised and approved separately, as has been the practice in the past. However, during the Spring of 2015, there was nationally a greatly increased focus of political attention on housing and it became clear that significant policy change would be forthcoming over the next year. It was felt it would be imprudent to revise the council's main strategic positions before the direction and potential impact of those changes could be assessed. It was decided to take time to engage with housing providers and other stakeholders so as to gauge their response to emerging legislation. This process took place between August and December 2015. All the strategy documents presented with this report have been informed directly by that engagement.
- 6 The homelessness prevention review and strategy is a statutory document which the council must undertake and revise periodically. The existing strategy expired in 2013. A recent audit of the council's homelessness provision identified that a new review and strategy should be completed and published as soon as practicable.
- 7 The most recent housing strategy has now expired and was published jointly with Shropshire council. Whilst in 2011 there was an intention to evolve a continuing joint approach to strategic housing issues with Shropshire and Telford and Wrekin, in practice, each authority has pursued its own priorities and partnerships quite separately. Although no longer a statutory requirement, the housing strategy provides an opportunity for the council to set out

key objectives and to connect initiatives across disparate priorities. It was important for the strategy to take account of the onrushing political developments in national housing policy and the recent engagement process has allowed those to be captured in the document. However, because national policy changes are unceasing at present, with new announcements by Government coming weekly, the strategy must be seen as interim at this stage. It is suggested that later in 2016/17, the policy and legislative climate should be reviewed to consider the appropriateness of further revisions, so as to finalise the housing strategy.

- 8 The housing allocations policy sets out the rules and processes by which local people get access to social and affordable housing. Whilst this is focused on the workings of the “housing register”, the process actually encompasses interplay between the centrally held register and allocations practices of housing providers. The policy is implemented through the Home Point partnership, comprising those providers and the council. The allocations policy is a statutory requirement and the law in this area is complex, influencing many facets of the document and its implementation. The policy was revised in 2014, resulting in a very dramatic reduction in the size of the housing register. This is associated with a number of unintended consequences of the revision which have provided considerable challenge to people seeking housing, as well as to individual housing providers and to the council. A further revision is therefore required. The new policy takes account of research and legal requirements, as well as recent engagement and negotiation with housing providers and others.

Key considerations

Housing strategy

- 9 The housing strategy provides a very broad overview of housing need and provision in Herefordshire and the key issues facing the council and its partners over the next four years. It identifies the existing legislative framework, the profile of housing need and the state and character of the social and affordable housing market in the county. In so doing, it looks broadly at population need and then focuses on how best to house and support particular groups of vulnerable people. To complement the detail on homelessness and housing allocations contained in the other strategic documents, it addresses in some depth the role of good housing in supporting health and wellbeing. However, further work is required in this area in order to establish a dynamic, costed health and housing plan which takes account of the work undertaken in social care, primary care and environmental health sectors.
- 10 The strategy identifies and analyses the existing challenges in providing affordable and social housing for Herefordshire’s citizens. These include:
 - The relative cost of housing for rent and the highest affordability ratio in the West Midlands.
 - Managing the needs and risks for both tenants and landlords in increasing the take up of private rented housing.
 - The complexities and costs to both tenants and providers in managing affordable and social housing in a very rural and sparsely populated area.
 - Providing housing options to suit the diverse needs of the county’s growing older population, given especially the insufficiency of attractive and appropriate housing in the right places for home owners over 65.

- Using the council's precious land resources and limited powers to deliver affordable and social housing and a financial return for Herefordshire.
 - Identifying population needs and available resources to deliver appropriate specialist housing with care options for learning disabled people, older people, people with mental health needs and vulnerable young people.
- 11 The housing strategy highlights and analyses the many new policies and initiatives which have been brought forward by the Government in 2015/16, notably in relation to the Housing and Planning Bill and the Work and Welfare Reform Bill. These include:
- A decrease in the household benefit income cap to £20,000 outside London, along with frozen rates for most benefits and new rules associated with universal credit.
 - The removal of housing benefit entitlement for 18 to 21 year olds, albeit with some protection for vulnerable groups.
 - A progressive cut in social housing rents by 1 per cent annually for four years, significantly affecting the budgets of housing providers.
 - An earnings cap on social housing tenants for the first time, requiring a new approach to tenancies from housing providers, with significant resources implications.
 - Increased investment in housing now being linked to a focus on home ownership and reduced expectation on developers to build social housing for rent. This is likely to reduce the housing which is available to people on low incomes.
 - Changes to housing benefit rules for those in social housing to extend the application of housing allowance and complication of the funding arrangements for temporary accommodation.
 - Extension of the "right to buy" scheme to tenants of independent housing providers which is likely to reduce the availability and quality of social rented housing.
 - The introduction of mandatory fixed term tenancies across housing providers.
 - The "right to rent" scheme, threatening criminal prosecution for landlords who rent to people without leave to remain in the UK, offering further disincentive to private landlords to let in the affordable or social markets.
 - The housing strategy has a different focus and context to the previous strategy document and so there is no direct correlation or comparison to be made between the contents of the two documents.

Homelessness review and prevention strategy

- 12 The homelessness review and prevention strategy sets out the very complex legal and policy context for preventing and relieving homelessness, having identified definitions of the concepts. It also analyses the costs of homelessness to the state and the public sector system, along with its causes and effects for individuals and households. The review also sets out in some detail the resources the council brings to bear on

homelessness, working in partnership with other statutory and voluntary sector agencies. It provides a comprehensive assessment of the progress made and the evolving challenges since the last homelessness strategy.

13 The document also incorporates the homelessness prevention strategy, which addresses the issues identified in the review and seeks to build on the successes already achieved. Those successes have been significant, notably:

- Reducing reliance on temporary accommodation year on year
- Intervening earlier in specific factors contributing to homelessness such as mortgage arrears and potential loss of shorthold tenancies.
- No use of bed and breakfast accommodation since 2012.

14 The document focuses on particular themes, including; rough sleeping and “concealed families” of mostly young adults living with wider family, sometimes in over crowded conditions. It sets out strategic objectives to continue tackling the main challenges over the next four years.

Housing allocations policy

15 The allocations policy is a complex document, the content of which is driven substantially by regulations arising from the key legislation. In addition to the main criteria for allocating housing, it also sets out the procedures for the policy’s operation and explains the relationship between it and housing providers’ own policies and practices. It is accompanied by a glossary to help lay people navigate the technical detail.

16 The current policy was launched in July 2014 with the intention of removing from the housing register those people who had no meaningful housing need and who were not likely ever to be offered social housing. In the event, the register numbers fell immediately from over 5,000 to around 550 and over the past eighteen months have rallied to just below 1,000. In practice therefore, many more people lost the right to bid for social rented properties than was intended. In particular, these included so called “concealed families” of young adults living with family or “sofa surfing” and older people with quite modest financial assets. These groups generally do have housing need within the definitions of the legislation, when taken as a whole. It is appropriate to address their representation on the housing register which will increase the numbers overall, so that:

- Certain housing needs groups are assured of having opportunities to bid for properties
- Housing providers are generally able to let their properties without significant delay.
- As an important indicator of housing need, the register is effective in articulating how much affordable and social housing is required to be developed.
- All people living in insanitary or unsatisfactory housing will be able to bid for properties.

17 In addition, a number of technical aspects of the policy have been identified as requiring adjustment in order to ensure optimum fairness, effectiveness and compliance with the law. These relate to:

- The level of priority given to categories of “reasonable preference”.
- The concept of people being “threatened with homelessness” needs to be applied and prioritised more precisely, so that those people actually homeless or in other priority need groups can gain access to housing expeditiously.
- Recent case law requires the lack of a local connection to be treated in a somewhat more flexible way.
- A more direct correlation is required between the statutory code of guidance and to needs identified in the policy.
- Whilst transfers of tenants within or between providers’ accommodation lie technically outside the allocations policy, a transparent process is required to ensure fairness and enable analysis of need.

18 Furthermore, the effectiveness and fairness of the allocations policy are dependent in part on its relationship with the specific approaches to allocations and exclusions of tenants practised by individual housing providers. There has been some potentially significant inconsistency on key issues, notably relating to rent arrears or wider debt and anti social behaviour and criminal convictions. The allocations policy itself has not formally excluded anyone, whilst giving reduced “preference” to people in some circumstances. Meanwhile, providers may in practice exclude people from consideration for tenancies for up to five years. This leads to the following concerns:

- People may not have a realistic appreciation of the potential for them to acquire a tenancy and bid successfully for housing.
- Inconsistency between different providers
- Vulnerable people may not be able to obtain safe and appropriate housing, which may exacerbate their vulnerability with poor outcomes for individuals and the public service system.
- There may be a risk of challenge through judicial review to the council or to individual housing providers where people in housing need face exclusion by providers which is seen to be unfair or inconsistent with the allocations policy.

19 These issues have been addressed in the recent engagement with housing providers and in particular through specific discussions about allocations and exclusions. In the main, housing providers have agreed to revisit their policies on exclusions to avoid fixed periods, to support vulnerable people and to ensure transparency. The allocations policy now makes specific reference to providers’ having their own policies and provides for a provisional exclusion of people for up to one year. This would apply only to those people presenting most risk to landlords, arising either from their behaviour or their ability to pay rent. In summary, the main changes from the existing allocation policy are as follows;

- Current policy only allows on to the housing register people with a “reasonable preference” (those in priority groups) where they have a local connection to Herefordshire. Case law and the statutory code of guidance requires that such people without a local connection are able to go on the register. In the new policy they are placed in band D, giving them a reduced priority. The proposed policy provides more information on the process, the arrangements with the registered providers, and decision makers as required by statute and code of guidance.

- The proposed policy reflects the right to move guidance issued in April 2015, allowing people with a job or job offer in Herefordshire to join the housing register with a priority, regardless of any other local connection.
- The proposed policy clarifies that under 18 year olds may join the register, although guarantor or equivalent arrangements may be required to secure accommodation.
- The proposed policy provides more guidance on eligibility for property types & sizes and clarity on advertising of individual properties which restricts access to certain groups.
- The proposed banding scheme reflects the requirement to give a 'head start' or higher priority on the housing register to those applicants who fall into the "reasonable preference" categories.
- The proposed banding scheme more clearly reflects the code of guidance examples of the groups that fall into the "reasonable preference" or priority categories.
- The proposed policy gives more clarity on the definitions of the recognised housing need within the banding scheme, as required by statute and the code of guidance.
- The proposed policy clarifies the expectations of applicants in respect of their application, time limits on priority, provision of information and the processes that will be undertaken to review applications.
- The proposed policy enables management of the bid and offer process for those accepted as homeless, to avoid excessive stays in temporary accommodation.
- The proposed policy makes clear the distinction between acceptance on to the housing register and housing providers' own policies in accepting or refusing applicants.
- The proposed policy specifies the monitoring information required to ensure its effectiveness in meeting the aims of the policy.
- The asset level rule has been relaxed in relation to older people in need of sheltered accommodation, from £100,000 to £150,000.
- People sharing facilities (bathroom, kitchen) with nonfamily members will be treated as a priority group and able to bid for properties on the register.
- Adult siblings will be enabled to bid to share upper floor accommodation.
- The threshold ages for children sharing bedrooms have been reduced to eight for children of different genders and fifteen for same gender.

20 The tenancy strategy is a technical document which is no longer seen as a self standing entity and is now presented as an appendix to the allocations policy. The strategy sets out matters to which housing providers are required to have regard in preparing and

Further information on the subject of this report is available from
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operating tenancies. The strategy outlines the scope of the expectations on landlords and provides links to the main housing providers' own procedures and data. It sets out current rates for housing allowance. The strategy identifies preferred approaches to fixed term tenancies and their review and to secure or assured tenancies. It also seeks to regulate the application of affordable rent within tenancies to ensure that accommodation is genuinely affordable.

- 21 The strategy contains little detailed data because this will become outdated quite quickly. It does offer links to data sources and references. The document provides a general updating of information from the previous strategy but has not introduced a new material.

Community impact

- 22 Housing is fundamental to the formation and sustainability of communities and the quality of life of those living within them. The four revised strategic housing documents are consistent with and contribute directly to the council's strategic corporate priorities and are supported by Understanding Herefordshire. In particular, the allocations policy has responded to the analysis around the growing number of "concealed families" living in the county. Housing is identified as one of the key priorities in the health and wellbeing strategy for Herefordshire.

- 23 The housing strategy identifies the key determinants of housing need which relate directly to people's vulnerability and to the functioning of communities. It addresses the role of housing in the wider economy and the contribution which housing development and renewal can make to community growth and viability. The strategy sets out how housing can contribute to the health and wellbeing of the population, which has far reaching benefits for communities and links to key priorities in public health and social care prevention.

- 24 Homelessness poses significant risks to the wellbeing and functioning of communities, not only for those individuals facing it directly. The homelessness prevention strategy and review has identified those approaches and resources having most positive benefit by preventing and relieving homelessness. These and other approaches will be developed to extend the benefits and help to mitigate the potential for increased homelessness which may arise from national policy changes.

- 25 The revised allocations policy will address a number of issues which pose a risk to communities. It will seek to resolve the problem of hard to let properties in rural areas and help people to find housing locally, without having to move from their community. It will ensure consistency and support for vulnerable people and manage risks to housing providers, so minimising instability and throughput of residents within communities. It will assist in requiring developers to provide affordable housing in rural communities.

Equality and human rights

- 26 Adoption of the strategic housing documents will contribute to meeting the council's obligation under the general duty under s149 of the Equality Act 2010. The housing strategy is concerned in part with promoting the health and wellbeing people through safe and appropriate housing. In particular, this will benefit older people and disabled people. It sets out priorities for meeting the housing needs of groups of people with protected characteristics, notably disabled people including older disabled people and those with mental health needs.

- 27 The provisions of the homelessness prevention strategy will benefit in particular people from groups with certain protected characteristics who are especially vulnerable to homelessness. These include people with mental health needs, learning disability and other disabled people.
- 28 The allocations policy brings forward a range of changes to improve access of people to social and affordable housing. These are likely to bring benefits to people from groups with protected characteristics within the wider population. It will not bring any disadvantage to people with protected characteristics. Since it involves significant and specific changes to the organisation of public services, an equality impact assessment has been prepared in relation to the allocations policy.

Financial implications

- 29 There are no specific financial implications arising from the strategic housing documents as in the main, they address broad strategic positions rather than specific programmes or services. There are no financial implications of the revised allocations policy as it involves allocation of the resources and assets of housing providers rather than the council itself. If in the implementation of the housing strategy and homelessness prevention strategy, specific services or projects are to be developed, these will be subject to their own governance processes, addressing any financial implications. There are no specific financial implications related to temporary accommodation arising from the strategic documents.

Legal implications

- 30 The council has a duty to have and thereafter keep under review replacing or modifying from time to time a tenancy strategy which sets out the matters to which the registered providers of social housing operating in the district must have regard in formulating their own policies in relation to the kinds of tenancies they grant, their terms and renewal pursuant to the Localism Act 2011 s150(1) and s150(4).
- 31 The council has a duty pursuant to the Homelessness Act 2002 s(1)-(4) to carry out a homelessness review and formulate a homelessness strategy at least every five years. In formulating or modifying that strategy, authorities in England must have regard to their current allocation scheme and their current tenancy strategy.
- 32 The council has a duty pursuant to the Housing Act 1996 s166A(1) to maintain an allocation policy or scheme incorporating priorities and procedures (including all aspects of the allocation procedure, including by whom decisions may be made).
- 33 Save in relation to its duties as above there are no specific legal implications for the council of this report. Specific actions arising from the implementation of the strategies proposed will require further consideration as to legal implications.

Risk management

- 34 There are few risks arising from this report directly given its very broad strategic perspective. There will be risks arising from the allocations policy and homelessness review and prevention strategy. In summary, the main risks would be:
- Failure to finalise a homelessness review and strategy would be a breach of statute and confer significant reputational risk on the council.

- Homelessness prevention depends on complicated networks of statutory and voluntary agencies working together. With budgetary pressures facing all such bodies there is a risk that reductions in staffing or operational spending could undermine existing capacity to prevent and relieve homelessness. This would lead to escalating costs of homelessness to the whole system and reputational risk to the council.
 - Delay in implementing a new allocations policy will engender risk of judicial review challenge from housing providers choosing to opt out of the current policy because properties are not being let through Home Point. This could link to wider dissatisfaction with the present arrangements and a possible breakup of the Home Point partnership. This would be damaging reputationally and would require the council to form individual nomination agreements with each provider.
 - Delay in implementing the allocations policy involves risk of legal challenge around the current interpretation of “reasonable preference” categories.
- 35 It is intended that all these risks will be mitigated by the approval and implementation of the homelessness prevention strategy, allocations policy and housing strategy. The effective and timely implementation of the allocations policy will be particularly significant in managing risk arising from housing providers’ concerns with present arrangements. Communications work will be undertaken to manage any changing expectations of people on the housing register, arising from changes to the allocations policy.

Consultees

- 36 The council has consulted widely with registered housing providers, voluntary and other organisations prior to preparing the strategic housing documents proposed in this report. In August 2015, written requests for comment on changes to national housing policy were sent to all housing providers and there was a good written response. Further written submissions were received during September 2015. Three open workshop events were held with housing providers and other stakeholders in September and October 2015. These were attended by a range of interested organisations and individuals and focused on homelessness, housing development and allocations respectively. They generated lively debate and a great many comments and views relating to local challenges and national policy were recorded.
- 37 On 19 October 2015 a main housing engagement event was held at the Kindle Centre in Hereford. This was attended by more than 60 representatives from housing providers, voluntary and faith sector organisations, statutory agencies and the council, including some council members. The event provided many more comments, ideas and observations. In November and December 2015, there was further specific consultation with senior representatives of the larger housing providers, notably in relation to housing development and allocations. The extensive feedback from all the engagement activity has directly informed the detailed content of the housing strategy, allocations policy and homelessness review and prevention strategy. General overview and scrutiny committee the draft documents on 19 January 2016. No specific recommendations were made. Since the committee’s consideration, only minor changes have been made to strategic documents, reflecting additional information from received from housing sector partners and others.

Appendices

Appendix 1: Allocations policy for Herefordshire 2016 and Tenancy Strategy 2016 to 2020

Appendix 2: Homelessness review and prevention strategy 2016 to 2020

Appendix 3: Interim housing strategy for Herefordshire 2016 to 2020

Appendix 4; Equality Impact Assessment for allocations policy for Herefordshire

Background papers

- None identified.