

EAST HERTS COUNCIL

COMMUNITY SCRUTINY – 19 NOVEMBER 2013

REPORT BY REPORT BY EXECUTIVE MEMBER FOR HEALTH,
HOUSING AND COMMUNITY SUPPORT

REPORT ON THE IMPLEMENTATION OF THE ADOPTED EAST
HERTS HOUSING REGISTER POLICY

WARD(S) AFFECTED: ALL

Purpose/Summary of Report

The Housing Act 1996 states that all Local Authorities exercising a housing function must publish a Housing Register and Allocations Policy showing how homes will be allocated to applicants and prescribes certain categories of people who are to be given 'reasonable preference' on the Housing Register.

The purpose of this report is to report to Community Scrutiny on an interim review of the Housing Register and Allocations policy, adopted in May 2013, as agreed by Executive on 5 March 2013 and Council on 6 March 2013.

RECOMMENDATIONS FOR COMMUNITY SCRUTINY: That:

(A)	the outcome of the review be scrutinised; and
(B)	the salary threshold for qualification to the Housing Register remain at this time at £48,000 and that the Village Connection Policy remain as stated in the adopted Housing Register and Allocations Policy.

1.0 Background

1.1 The Housing Act 1996 states that all Local Authorities exercising a housing function must publish a Housing Register and Allocations Policy showing how homes will be allocated to applicants. The Act prescribes certain categories of people who are to be eligible for an allocation and also five categories of

applicants that must be given reasonable preference on the Housing Register.

- 1.2 The five categories of applicants are:
1. People who are homeless (within the meaning of Part VII of the Housing Act 1996 as amended by the Homeless Act 2002)
 2. People who are owed a duty by any local housing authority under Section 190(2), 193(2) or 195(2) of the 1996 Act (or under section 65(2) of the Housing Act 1985) or who are occupying accommodation secured by any such authority under 192(3)
 3. People occupying unsanitary or overcrowded housing or otherwise living in unsatisfactory housing conditions
 4. People who need to move on medical or welfare grounds (including grounds relating to disability); and
 5. People who need to move to a particular locality in the district of the authority, where failure to meet that need would cause hardship (to themselves or others).
- 1.3 The Council when drafting its Housing Register and Allocations policy must also have regard to the Code of Guidance Allocation of Accommodation: guidance for Local Authorities in England and any future consultations on amendments to the guidance.
- 1.4 The current Housing Register and Allocations Policy was adopted by the Council in April 2013 and was implemented from 1st May 2013 for all new applicants wishing to join the Council's Housing Register and be considered for an allocation of affordable housing in East Herts.

2.0 Report

- 2.1 The Council's Executive meeting of 5 March 2013 recommended adoption of the revised Housing Register and Allocations Policy but recommended that:

(C) a review of the impact of the specific issues now detailed be undertaken in 6 months, with a full review of the policy being submitted to Community Scrutiny Committee in March 2014.

- 2.2 The specific issues related to two points, and as noted under Minute reference 629 are:

1. Questions were raised in respect of the proposed threshold on settlements with over 1,000 residents (defined as electors). It was suggested that this might exclude a number of settlements from benefitting from the intended promotion of community cohesion.
2. The Executive Member for Finance suggested that the salary threshold, whether £45k or £48k, was too high and should be lower, so that residents on lower incomes were prioritised.

2.3 **Community Cohesion.** To promote community cohesion and allow current residents in the smaller settlements in East Herts to either remain or move back, if they still have close family connection, the Housing Register and Allocations Policy states that the Council will advertise, through Choice Based Lettings, general needs (i.e. not sheltered), un-adapted properties in settlements of less than 1,000 residents with a priority to local residents. This village connection priority, or community cohesion, is considered when the short list of applicants for the property is being drawn up by the Housing Options Team. Therefore when general needs properties, in villages of less than 1,000 electoral residents, are advertised they are described as having a priority for applicants that have a local connection to the village.

2.4 The priority for the village connection procedure states that when a housing register applicant, who has a village priority, has 100 points or more they will be given a priority above other applicants who do not have a village connection but have more points. This part of the policy has been monitored for six months. A copy of the procedure is included at Essential Reference Paper B.

2.5 Since 1 May 2013 the Housing Options Service has advertised and allocated 127 general needs, un-adapted properties for rent through Choice Based Lettings. Of these properties 13 met the criteria for being advertised with a village connection priority. Of these 13 properties one had no bids over 100 points and two had the top ranked applicants as having a connection to the village therefore in these three cases the policy was not applicable. The remaining 10 properties were offered as follows:

- Properties where applicants had a connection to the village, had more than 100 points and had their priority on the short list increased over applicants that had no village connection and more points: 2 applicants.
- Properties where no applicants with both a village connection and more than 100 points had placed a bid and so policy not applicable: 8 applicants.

- 2.6 This procedure is implemented on settlements with 1,000 or fewer residents on the electoral roll. Taking into consideration the bearing of the current policy on the process of offering housing association homes it is recommended that the policy should not be amended at this time but a full year of evidence should be collected to be able to properly evaluate its impact. However the current policy has a small but significant effect for those in housing need in the smaller settlements but to expand it to larger settlements would have a detrimental impact on the balance the Council needs to maintain between local priorities and meeting its statutory duties of allocating homes to applicants who are in a reasonable preference as cited at 1.2.
- 2.7 **Household Salary threshold should be lower than £48,000.**
This is a salary qualification bar preventing households with a salary over £48,000 having access to the Housing Register and therefore in the future, if they have sufficient points on the housing needs register, an allocation of a Housing Association home. This figure was originally derived by using the average salary level for residents living and working in the district.
- 2.8 During the consultation process, with our housing partners, the original proposal was to set the salary qualification bar for the Housing Register, for applicants and joint applicants, at £60,000. The housing associations stated that this was a level that would be acceptable for an allocation of accommodation according to their own housing policies. The housing associations prefer a salary bar that is at a level that some tenants would be able to afford the rent without the need of housing benefit. The figure was subsequently reduced at Executive to £48,000. A median (average) affordable rent, with a Housing Association, for a three bedroom home in East Herts is approximately £200 per week or £10,600 per annum. Published best practice recommends that no more than one third of household's gross income should be spent on rent. To push this to the maximum with no leeway would be a household income of £31,800 per annum.
- 2.9 An analysis of the 386 new applications received and accepted onto the housing register since 1 May 2013 has been carried out. The majority of the new applicants (253 or 65%) are on benefits or low income and have been awarded Limited Means Points. Of the remaining 133 households the average annual salary income was £21,003. Only one applicant has been refused access to the Housing Register because their salary income was over £48,000.

- 2.10 The housing associations are keen, in the interests of balanced and mixed communities that not all their residents should be on housing benefits to assist with the payment of rent. With affordable rents being significantly higher than social rents the income levels of residents needs to be higher to meet the new rent levels without the subsidy of Housing Benefit.
- 2.11 Therefore it is recommended that the household salary bar of £48,000, above which a household or applicant would not qualify for the housing register should not be amended at this time primarily because of the introduction of affordable rents and in the interest of balancing communities. The figure will be subject to annual review, against published annual average income levels for East Herts residents and can be assessed again at that time.
- 2.12 The Housing Options Team is currently re-registering all applicants who were on the Council's Housing Register prior to 1 May 2013. This will ensure that all applicants requesting affordable housing in East Herts are assessed against the same policy. It will also give the Council up to date and relevant information about those people in housing need who are requesting affordable housing in our district.
- 2.13 The Executive also recommended that a full review of the Housing Register and Allocations Policy should be brought to Community Scrutiny one year after implementation. A report has been scheduled for 24 June 2014 in the forward plan.
- 2.14 The government has recently published for consultation a paper titled 'Providing social housing for local people – Strengthening statutory guidance on social housing allocations'. Officers will also include in the report to Community Scrutiny the outcome of the government consultation, any amendments to the statutory guidance and the potential impact on the Council's Policy. No external consultations have been carried out for the drafting of this report.

Background Papers - Executive minutes 5th March 2013.

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