

**Report for:** Cabinet 18<sup>th</sup> October 2016

**Item number:** 19

**Title:** Housing Allocations Policy, Tenancy Strategy and Homelessness Strategy – Proposed Consultation

**Report authorised by :** Lyn Garner, Director of Regeneration, Planning and Development

**Lead Officer:** Mustafa Ibrahim Head of Housing Commissioning, Investment and Sites

**Ward(s) affected:** All

**Report for Key/  
Non Key Decision:** Key

## **1. Describe the issue under consideration**

- 1.1 The Council is adopting a new Housing Strategy 2017-2022, which provides the overarching strategic framework for housing activity in the borough. Its successful delivery is dependent on a range of detailed policies and delivery plans. In order to develop and adopt a number of these supporting policies and plans, a major consultation is planned.
- 1.2 This report sets out the potential changes that will be consulted upon, in three policy and delivery areas - the Housing Allocations Policy, the Tenancy Strategy and the Homelessness Delivery Plan. These changes are necessary to support achievement of the new Housing Strategy or to comply with changes in legislation.

## **2. Cabinet Member Introduction**

- 2.1 Haringey's Housing Strategy defines the vision, strategic objectives and key priorities for housing in the borough and sets the direction for everyone involved in achieving our ambitious plans, including residents affected by it. The Strategy includes our aspirations on increasing housing supply, preventing homelessness, improving the quality and management of our existing homes and ensuring that housing delivers wider community benefits.
- 2.2 Developing the Strategy has involved some tough choices, as government policies and market factors present significant challenges in meeting the need for affordable housing in the borough. Our commitment to stable communities and settled homes is undermined by the introduction of mandatory fixed term tenancies, Pay to Stay proposals and the lack of affordable housing supply within the borough. Our ability to provide more social housing, and maintain the stock we have to a better standard, is also undermined by the government's

compulsory voids levy, the mandatory cut in social rents and the introduction of “Starter Homes”, which will not be affordable for the vast majority of our residents.

- 2.3 The Housing Strategy makes clear that as government policy causes our social housing to be lost faster than we can replace it, we will have to focus more on preventing homelessness and making difficult decisions about how to prioritise remaining social homes. We are also obliged to revise our Tenancy Strategy as a result of government legislation.
- 2.4 This report is one of a number being brought forward to deliver the new Housing Strategy, which relies on a suite of policies and delivery plans to support its achievement. I want to ensure that these proposals are consulted upon widely so that residents, housing providers and other stakeholders all have the opportunity to express their views and influence the final documents. These are difficult issues and I hope that we can have a frank and honest conversation about them. We strongly welcome views from residents and organisations – we want to get these changes right, so please do give us your views and ideas.

### **3. Recommendations**

It is recommended that Cabinet:

- 3.1 Authorises public consultation with residents, partners and stakeholders on:
- (a) The proposed changes to the Council’s Housing Allocations Scheme, set out in appendix 1.
  - (b) The proposed changes to the Council’s Tenancy Strategy, set out in appendix 2.
  - (c) The new Homelessness Strategy and Delivery Plan, set out in appendix 3.

### **4. Reasons for decision**

- 4.1 A decision is required to ensure that the Council complies with its obligations to consult about changes in housing services. There is a legal requirement that before making major changes to its Allocations Scheme the Council consults private registered providers of social housing and registered providers with whom we have nominations rights. It is also good practice to consult residents.
- 4.2 There is a statutory duty to consult the Greater London Authority (GLA) and registered providers operating in the borough on its Tenancy Strategy; and again, it is considered best practice to consult more widely and the Council has done so previously.
- 4.3 The Homelessness Act 2002 requires local authorities to carry out a homelessness review of their area and from that information publish a homelessness strategy. The council published its last 5 year Homelessness Strategy in 2012, as a multi-agency document delivered with partners. The Council wishes to consult widely on a new homelessness plan and the views of

our partners and all stakeholders are critical in developing this. A decision is required to ensure that the Council properly engages with partners and stakeholders in tackling homelessness in the borough.

## **5. Alternative options considered**

- 5.1 An alternative approach to the Allocations Policy would be to make no further changes to the Policy, which was last reviewed in 2014 (changes arising from that review were adopted in September 2015). There is some merit in this approach as changing the Allocations Policy is an extensive exercise, and should be undertaken only when there is a need to make amendments as a result of legislation, policy change or case law. However, there are a number of environmental and legal factors driving the need for change, such as the reducing supply of housing; and the need to ensure that those most unable to solve their housing problems in the open market are supported. It has therefore been decided to bring forward these changes which should assist the Council achieve its objectives of ensuring that those most in need receive assistance, and that those most able to find alternative housing to social housing, are assisted to do so. It is also important that the Allocations Policy supports the Council's current and changing policy objectives, as reflected in the new Housing Strategy.
- 5.2 There is no alternative to consulting on a new Tenancy Strategy. The legislation contained within the Housing and Planning Act 2016 means that the current Tenancy Strategy will no longer be effective when the legislation comes into force, as lifetime tenancies will be abolished. If the Council does not adopt a new tenancy strategy, then new tenancies will become five year tenancies by default, and tenants will not be sufficiently aware of the change in their status, and the need to review their tenancies during the period of the tenancy. The Council will also not have a legally compliant Tenancy Strategy.
- 5.3 It is a statutory obligation to have a Homelessness Strategy and to consult with those likely to be affected by it. Not having a Homelessness Strategy would render the Council ineffective in setting out its strategic approach to tackling homelessness, working in partnership would be more difficult without a clear agreed direction and the allocation of resources would be more difficult to justify.

## **6. Background information**

- 6.1 Haringey's Housing Strategy 2017-2022 is being presented to Cabinet and subsequently to full Council for approval following extensive consultation. It sets out the current context and future direction for housing policy within the Borough. Although the Housing Strategy sets out overall direction, it needs to be supported by a number of specific policies, setting out in more detail, how different aspects of housing policy will be applied. These new policies must be subject to consultation with those likely to be affected, and therefore this report seeks approval to consult on three of these policies and plans. These are the Allocations Policy, the Tenancy Strategy, and the Homelessness Strategy, supported by a Delivery Plan.

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## **Housing Allocations**

- 6.2 The Housing Strategy sets as its second objective, the need to improve help and support to prevent homelessness. It clearly sets out that the Council must “Allocate council tenancies and intermediate tenures in accordance with fair and transparent criteria, both at the commencement and when reviewing the expiry of a fixed term council tenancy.” It states that the Council will consult on a revised Allocations Policy during the course of 2016/17. This report seeks authority to fulfil that commitment.
- 6.3 Cabinet considered and agreed to consult on a number of changes to the Allocations Policy in October 2014, and further changes largely prompted by legislation were approved by Cabinet Member decision in August 2015. All these changes have now been implemented. Allocations Policies however do have to be kept under constant review, because of a number of important legal, and environmental factors that change and influence how the Council may wish to allocate the scarce number of homes it has to let.
- 6.4 The particular changes that are driving the need for a further review at this time are:
- (a) The Housing and Planning Act 2016, which requires the local authority to charge market rents, to tenants where the household income is above a threshold, expected to be £40,000 but not yet confirmed;
  - (b) The changes to Housing Benefit, which states that the Local Housing Allowance (a notional market rent, set at the lowest third of market rents and defining the maximum amount of Housing Benefit paid to tenants dependent upon benefit), will be extended to social housing. Whilst this is not a problem for most tenants in general needs housing, as Council rents are well below the Local Housing Allowance, it is a problem for single person households under the age of 35. These households are assumed to be able to live in shared accommodation (a room in a shared house) and therefore their Housing benefit is capped at what is known as the “Shared Room Rate.” Some of these rates are below Council rents for one bed properties.
  - (c) The new Housing Strategy, which identified the shortage of affordable housing for those with lowest incomes, and concludes that the Council needs to provide different housing options across the income range. At one end, those with the lowest incomes, who can afford nothing else should be prioritised for social housing on target or affordable rents; and those who are on higher incomes should be assisted into intermediate housing. This implies that there should be an income threshold, within the Allocations Scheme, above which households who can with assistance move into alternative housing, will not be entitled to social housing.
  - (d) The reduction in supply, is another factor which is influencing the need for a further review of the Allocations Policy. Currently, there are around 450 General Needs lets forecast to be available in 2016/17. This is forecast to fall to under 250 by 2020/21, taking into account the potential impact of disposals required to fund the government’s compulsory levy. Given the reduction in supply, these units cannot meet the need of the 8,600 applicants on the Housing Register or those forecast to need assistance in the next five years. They need to be allocated to those households who have no other option. There are other policy options which are designed to

make the best use of the social housing stock that we do have; and the Council would wish to seek the views of applicants, tenants and partners on these proposals.

The specific changes on which it is proposed to consult are set out in appendix 1.

### **Tenancy Strategy**

- 6.5 The Housing Strategy states that the Council would have preferred to retain lifetime tenancies but that this will have to change. In view of government legislation it therefore commits the Council to:

*“Update our Tenancy Strategy to comply with new legislation on fixed term tenancies and to again take the opportunity to consult residents and stakeholders, in particular on how we implement changes sensitively and fairly. We remain committed to providing settled homes and will always want to maintain tenancies, while being transparent about any circumstances in which a fixed term tenancy might not be renewed.”*

- 6.6 This report fulfils this commitment in the Housing Strategy. The Housing and Planning Act 2016 will end the provision of lifetime tenancies once it has become law (no date has yet been set for implementation, although April 2017 was the Government’s original intention). Each stock owning Council must have a Tenancy Strategy setting out the Council’s approach to variable fixed term tenancies. This must set out the length of tenancies the Council will grant and in what circumstances. Some of this will be set in Regulations, but some will be at the discretion of the local authority. In addition, the Council will be required to carry out a review of the tenancy 6 – 9 months prior to the ending of the fixed term tenancy. The Tenancy Strategy must state the circumstances in which a tenancy will be renewed, or may be ended either by moving the tenant to alternative accommodation, or ending the tenancy altogether.

- 6.7 The Council would prefer to grant the longest possible tenancy available to households, to provide stability and reassurance on which to build stable homes and communities. The Council will therefore consult on
- the option of providing for the maximum length of tenancy allowed;
  - the presumption of a renewal of tenancies, except where a review is triggered; and
  - the factors that would prompt such a review to be triggered, including the tenant’s ability and aspiration to access alternative tenures, such as home ownership, and/or if they no longer need accommodation of the size that they currently occupy.

The full set of proposed issues on which the Council wishes to consult tenants affected is set out in appendix 2.

### **Homelessness Strategy and Delivery Plan**

- 6.8 The Housing Strategy sets out the current position in relation to homelessness in the borough, and housing demand more generally. It sets out the scale of the challenge and how we will aim to meet those needs. It commits the Council

to a refresh of our current Homelessness Strategy, in a new Homelessness Delivery Plan. The Housing Strategy states:

*“These priorities will be reflected and set out in detail in a new statutory Homelessness Strategy and a revised Allocations Policy and Tenancy Strategy which, along with a new Intermediate Housing Policy, we will consult upon and adopt during 2016/17.”*

This report seeks authority to undertake the consultation requirement to fulfil this commitment. The Council is required to have in place a Homelessness Strategy, setting out its assessment of the causes and scale of the problem within its boundaries, and developing plans and programmes of work to reduce it. The Council has been working with a core group of partners to develop a new Homelessness Strategy and the draft is set out at appendix 3. The Council now seeks approval to consult those affected, and partners on the proposed plan, and to consider responses to the consultation before drawing up a final plan for approval by March 2017.

6.9 The Council wishes to consult on whether:

- The analysis of the extent and causes of homelessness in the borough have been correctly assessed or whether there are other issues that the Council should take into account
- The assessment of supply and demand is fair and reasonable, or whether there are other factors that the Council should take into account;
- The effects of demand, and the impact on temporary accommodation, and the need to enable households to move on to more settled accommodation have been accurately assessed;
- Finally, whether the proposed actions included within the Delivery Plan are the right ones, and likely to have the intended effect
- The Homelessness Strategy and Delivery Plan includes specific analysis of rough sleeping in Haringey; and proposed actions to reduce the incidence of rough sleeping in the Borough. Views on these specific aspects are also being sought.

## **Consultation**

6.10 In order to introduce any or all of the proposed changes to the Allocations Policy and Tenancy Strategy, and to adopt the Homelessness Strategy and Delivery Plan, the Council wishes to consult those affected, partners and stakeholders and to consider those views before adoption. It is proposed to carry out consultation on these three policies and delivery plans together. Consultation will take place for 10–12 weeks from late October 2016 to January 2017. A leaflet and questionnaire will be prepared for completion online or on paper, with a link to the Cabinet report and consultation documents on the website.

6.11 A full stakeholder analysis is being prepared to ensure that consultation topics and methods are directed at those most affected by the proposed changes. As well as the leaflet and questionnaire, it is proposed to organise a number of stakeholder events, for partners, and residents where they will be able to ask

questions and express their views. The target audience for these consultations will be:

- Tenants (for the Allocations Policy changes and the Tenancy Strategy)
- Applicants on the Housing Register
- Residents in the borough – through the Council’s website
- Partners, such as the voluntary sector and Registered Social Providers
- MPs and Councillors
- The GLA

6.12 The results of the consultation, and the findings of the Equalities Impact Assessment, will be reported back to Cabinet with a new amended Allocations Policy, Tenancy Strategy and Homelessness Strategy for consideration and approval in March 2017.

## **7. Contribution to strategic outcomes**

7.1 This initiative supports the objectives of Priority 5 in the Corporate Plan – Creating homes where people choose to live and are able to thrive. In particular, the Corporate Plan notes that “We will provide realistic and achievable options for people to find housing or alternative housing.” In seeking to direct households more closely matched to the housing that they can afford, the revised Allocations Policy will contribute to this objective. If the consultation supports the proposals in the consultation, the Allocations Policy can also support the objective to increase the number of vulnerable residents who are able to access employment and training options.

7.2 The Corporate Plan Priority 5 includes the objective to “Prevent homelessness and support residents to live fulfilling lives” and aims to assess success in this objective, by measuring both the number of households where homelessness has been prevented and also the number of households who have been helped into settled homes, whether in the social rent or private rented sector. The Homelessness Delivery Plan aims to drive this objective forward and improve performance in this area.

7.3 As set out in the report, these policies and plans support delivery of Haringey’s Housing Strategy 2017-2022, and contribute to all four strategic objectives:  
Objective 1 – Achieve a step change in the number of new homes built  
Objective 2 – Improve support and help to prevent homelessness  
Objective 3 – Drive up the quality of housing for all residents  
Objective 4 – Ensure that housing delivers wider community benefits

7.4 The strategy provides a broad strategic direction for housing in the borough, but delivery of its objectives will be achieved through a range of housing related sub-strategies and policies. The Allocations Policy, Tenancy Strategy and Homelessness Delivery Plan are three of these policies/delivery plans and provide the detail to support achievement of strategic outcomes.

## **8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)**

### **Finance and Procurement**

- 8.1 Some of the proposals in the Revised Allocations Policy may have either a positive or negative impact on the Council's temporary accommodation budget. For example, reducing the priority banding for certain households within temporary accommodation may mean that they will continue to be housed in more expensive and less settled forms of accommodation for a longer period of time. However, the introduction of the automated system bidding may mean that duty can be discharged quicker. It is not possible to quantify the impact at this stage.
- 8.2 There may also be other costs arising from the proposals such as conversion of existing council-owned accommodation into shared facilities to house the under 35s. Once firm plans are known, then these costs can be quantified but availability of budgets to fund these costs would be subject to a business case and Cabinet approval if these could not be contained within existing approved budgets.
- 8.3 The introduction of new fixed term tenancies will involve additional activity for the Council in reviewing tenants and their circumstances. There is an assumption that any additional activity arising from the proposals will be funded from within existing staff and budgetary resources unless subject to a separate business case and formal approval of additional funds.

#### **Legal**

- 8.4 The Assistant Director of Corporate Governance has been consulted in the preparation of this report and comments as follows. Legal implications are otherwise set out in the body of the report.

#### ***Allocations Scheme***

- 8.5 The Council is required by 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. The scheme applies (s159) to (i) selection to be a secure or introductory tenancies 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.
- 8.6 In framing its Scheme, the Council must have regard to its own Homelessness and Tenancy Strategies and to the London housing strategy (s166A(12)).
- 8.7 The Council must also (s166A) give reasonable preference to certain categories of persons on the Register – in particular those found to be homeless within Part VII of the Housing Act 1996 – and additional preference to others. There is however no requirement that equal preference be given to each priority category, provided that those falling within any of the categories are generally given preference over those who do not.
- 8.8 It is open to a Council, within its Scheme, to include provisions to meet local needs and priorities and allocate to persons of a specific description (such as



key-workers) (s166(6)(b)) provided that those provisions do not dominate the Scheme and subject to the same proviso as the preceding paragraph.

- 8.9 Before making a major alteration to its Scheme, the Council is required (s166A(13)) to send a copy of the proposed alteration to every private registered provider and registered social landlord with whom they have nomination arrangements and give them a reasonable opportunity to comment on the proposals.
- 8.10 While there is no statutory requirement to do so, the Council adheres to best practice in consulting its residents on significant changes to its Allocations Scheme, and residents have a legitimate expectation that the Council will continue to do so.
- 8.11 The legislative changes driving the proposed changes are outlined in the body of the report.
- 8.12 The proposed changes, in particular proposal 2, have significant potential equalities implications and the impact must be carefully assessed before changes can be agreed.
- 8.13 Bringing to an end the Council's duty under s193(2) to continue to provide temporary accommodation for those found to be owed the full housing duty by provision of accommodation requires suitable accommodation to be offered; which means accommodation suitable for the applicant and all those living with, and who can reasonably be expected to live with, the applicants as a member of their family.
- 8.14 That being the case, implementation of proposal 2 in relation to family membership will require care to minimise both equalities impacts and also knock-on effects on use of temporary accommodation, ensuring that larger and extended families do have access to routes out of temporary accommodation.
- 8.15 The effect of the progressive reduction of the minimum age for accessing sheltered housing has been to expose that housing in certain cases to fragmentation by right to buy applications. Restoring the minimum age to 60 will assist in maintaining the integrity of those schemes that it is considered, following a review, to be appropriate to keep.

### ***Tenancy Strategy***

- 8.16 The Council as local housing authority has strategic housing responsibilities under various legislative provisions, including now the Localism Act 2011 ("LA11"). It is required under the provisions in ss150-153 of LA11 to publish a Tenancy Strategy within 1 year of LA11 coming into force setting out its own policies and also the matters to which it expects Registered Providers within its district to have regard in setting their own policies on:
- (a) the kinds of tenancies they grant,
  - (b) the circumstances in which they will grant a tenancy of a particular kind,
  - (c) where they grant tenancies for a term certain, the lengths of the terms, and
  - (d) the circumstances in which they will grant a further tenancy on the coming to an end of an existing tenancy

- 8.17 In drafting its Tenancy Strategy, the Council is required to have regard to its current Allocation Scheme and Homelessness Strategy.
- 8.18 The Council as landlord was given, by ss154-6 of LA11, power to grant “flexible tenancies” - that is fixed term tenancies of at least 2 years (although guidance expects that they will be of 5 years or more other than in exceptional circumstances). It was for each individual Council to decide its own policy, to be published as part of the Tenancy Strategy.
- 8.19 That power was not taken up by the Council. From the date of coming into force of s118 and Schedule 7 Housing and Planning Act 2016 (“HPA16”), however, the Council will be required when granting new tenancies to grant fixed term tenancies (with certain exceptions broadly where the tenant has been forced to move to a new tenancy), The Council has discretion as to the length of tenancies to grant, up to a maximum of 10 years (or, if longer, until the 19<sup>th</sup> birthday of any resident child aged less than 9 years old). There also changes to statutory succession rights.
- 8.20 This requires a modification of the Tenancy Strategy adopted in October 2014, both to take account of the abolition of “lifetime tenancies”, and to adopt a policy for the length of fixed term tenancies.
- 8.21 Registered Providers are required to grant tenancies in accord with the Tenancy Standard published from time to time by the Homes and Communities Agency. The current version of the Tenancy Standard permits them to grant, in addition to Assured Tenancies (the broad equivalent of a lifetime secure tenancy), fixed term tenancies broadly similar to the former local authority flexible tenancies.
- 8.22 There are detailed consultation requirements in formulation of the Tenancy Strategy in s151 of the Act; the Council is required to consult with Registered Providers operating in the Borough and the Mayor of London. While consultation with tenants is not statutorily required, it is best practice and the Council consulted tenants and others on the strategy adopted in October 2014. Those persons therefore have a legitimate expectation that the Council will continue to do so. The body of the report sets out how consultation will be carried out.
- 8.23 The proposals set out in the draft Tenancy Strategy accord with the provisions in ss150-153 of the Act.

### ***Homelessness Strategy***

- 8.24 By s1 Homelessness Act 2002 the Council was required to carry out a homelessness review for its district and formulate a Homelessness Strategy informed by that review by 31 July 2003. It must keep that strategy under review, and publish a new strategy at intervals of no more than 5 years thereafter.
- 8.25 The Homelessness Strategy is by s3(1), “a strategy formulated by a local housing authority for:
- (a) preventing homelessness in their district;
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(b) securing that sufficient accommodation is and will be available for people in their district who are or may become homeless;

(c) securing the satisfactory provision of support for people in their district

(i) who are or may become homeless; or

(ii) who have been homeless and need support to prevent them becoming homeless again.

8.26 The Council is required (also by s1) to take its Homelessness Strategy into account in the exercise of its functions.

8.27 In formulating its Homelessness Strategy, the Council (s3(7A)) must have regard to its current Allocation Scheme, Tenancy Strategy and the current London Housing Strategy.

8.28 By s3(8), "Before adopting or modifying a homelessness strategy the authority shall consult such public or local authorities, voluntary organisations or other persons as they consider appropriate." The Council has a practice of consulting service users and providers, housing staff and other stakeholders, as well as more general public consultation to capture ideas, views and feedback. Again, those groups have a legitimate expectation of consultation.

## **Equality**

8.29 All three policies have potential implications for households whose members have protected characteristics. The proposals for changes to the Allocations Policy will, if adopted, directly affect the priority of people on the Housing Register and those seeking to join it. This will include for example, those under 18 who are unable to obtain a guarantor and single households under 35. The proposals for changes to the Tenancy Strategy will affect people whose tenancies may not be renewed at the end of a fixed term tenancy. Some protected groups are over-represented in homeless households and in those in housing need. The proposals presented in the draft Homelessness Delivery Plan will provide better support and more realistic options for these groups.

8.30 The potential impact of any agreed changes will be assessed during and after consultation. Equalities monitoring will be used for participants in the consultation and this will enable the draft Equalities Impact Assessments for each of these policy areas to be finalised. Specific mitigating actions will be identified to address the impact on particular groups of the agreed policy changes.

## **9. Use of Appendices**

Appendix 1 Proposed Changes to the Allocations Policy

Appendix 2 Proposed Changes to the Tenancy Strategy

Appendix 3 Proposed new Homelessness Strategy and Delivery Plan

## **10. Local Government (Access to Information) Act 1985**

Background papers:

Housing Allocations Policy 2015  
Tenancy Strategy 2012-15  
Homelessness Strategy 2012-14