

# Item 4

## REPORT TO CABINET

24<sup>th</sup> November 2005

## REPORT OF DIRECTOR OF NEIGHBOURHOOD SERVICES AND DIRECTOR OF HOUSING

### Housing

#### HOMELESSNESS AND THE ALLOCATION OF HOUSING

##### 1. SUMMARY

- 1.1 The Council has a statutory duty to assess all homeless applications made to it under the provisions of Part 7 of the Housing Act 1996, which was amended by the introduction of the Homelessness Act 2002. The Council must assess all applicants to determine if they meet the 5 “legal” tests for assessing whether a homeless applicant is owed a main duty under the provisions of Part 7 of the Housing Act 1996. Once a homeless applicant is accepted they become a qualifying person under the provisions of Part 6 of the Housing Act 1996 which govern the allocation of Council housing stock, the housing register or waiting list. There is therefore no difference between a person who accesses the housing register through making a general needs application or a homeless application, other than the number of points they are awarded to ensure they are given suitable priority to access settled suitable accommodation.
- 1.2 The Council has had concerns about the increasing numbers of homeless applications being made over the last 5 years; this upward trend is common with the majority of Councils in County Durham and the North East Region. The Government published its national homelessness strategy in March 2005 - *Sustainable Communities; settled homes; changing lives*, this builds on a number of other policy documents and seeks to address the increasing levels of homelessness through a number of actions but two of its key themes are preventing homelessness and supporting vulnerable households. The Council’s Housing Advice and Homelessness Service has already started to re-engineer its services to focus on the prevention agenda and this has had some early impact on reducing the number of homeless applications to the Council.
- 1.3 To sustain this reduction in homeless applications there is a need to adjust the operation of the housing register by changing the number of points awarded to homeless applicants. Any changes to the points awarded to homeless applicants must comply with the requirements of the revised Code of Guidance on the Allocation of Accommodation issued by the Office of the Deputy Prime Minister (ODPM) in November 2002.
- 1.4 This report provides background on the reasons that a change in the points awarded to homeless applications is required, the recommended level of points to be awarded to homeless applicants and a process to review the effect of the implementation of the changes.

## 2. **RECOMMENDATIONS**

1. The changes to the allocations policy in relation to homeless applicants are approved from end January 2006.
2. That a further report on the impact of the changes to the points awarded to Homeless Applicants on both homeless and general needs applicants is presented 6 months after the implementation of the changes.

### 3.1 **INCREASED LEVELS OF HOMELESS IN SEDGEFIELD BOROUGH**

- 3.1.1 The Council has a statutory duty placed upon it to assess all homeless applications made to it under the provisions of Part 7 of the Housing Act 1996, which was amended by the introduction of the Homelessness Act 2002. The Council must assess all applicants to determine if they meet the 5 “legal” tests for assessing whether a homeless applicant is owed a main duty under the provisions of Part 7 of the Housing Act 1996. The Council has had concerns about the increasing numbers of homeless applications being made over the last 5 years; this upward trend is in common with the majority of Councils in County Durham and the North East Region. The rate of increase in homeless acceptances in the North East has been 6 times that of the rest of England. Table 1 below shows the increase in homeless applicants over the last 6 years for Sedgfield Borough.

**Table 1 Homeless Applications and Acceptances 1999/00 – 2004/5**

	1999/00	2000/1	2001/2	2002/3	2003/4	2004/5
<b>Homeless applications</b>	410	472	373	312	608	822
<b>Acceptance</b>	140	215	210	218	342	441
<b>Percentage</b>	34.15%	45.55%	56.30%	69.55%	56.25%	53.6%

Whilst the rates of acceptances have on average remained between 50 – 55%, the increase in total number of homeless applicants has resulted in a significant impact on the housing register, as shown in Table 2 below.

**Table 2 Total Council lettings and numbers let to homeless households**

	2001/2002	2004/2005
<b>Total lettings</b>	1339	925
<b>Homeless Households</b>	210	441
<b>Percentage of lettings</b>	15.5%	47.5%

3.1.2 The reasons for the increase in homeless applications is complex but relates to the following main factors:-

- Changes introduced extending the priority need categories in the Homelessness Act 2002.
- Our success in advertising and promoting our homeless service.
- The reducing availability of social rented housing due to the impact of Right to Buy on stock numbers.
- An increase in the number of household formulations.
- The significant increase in private sector house prices.

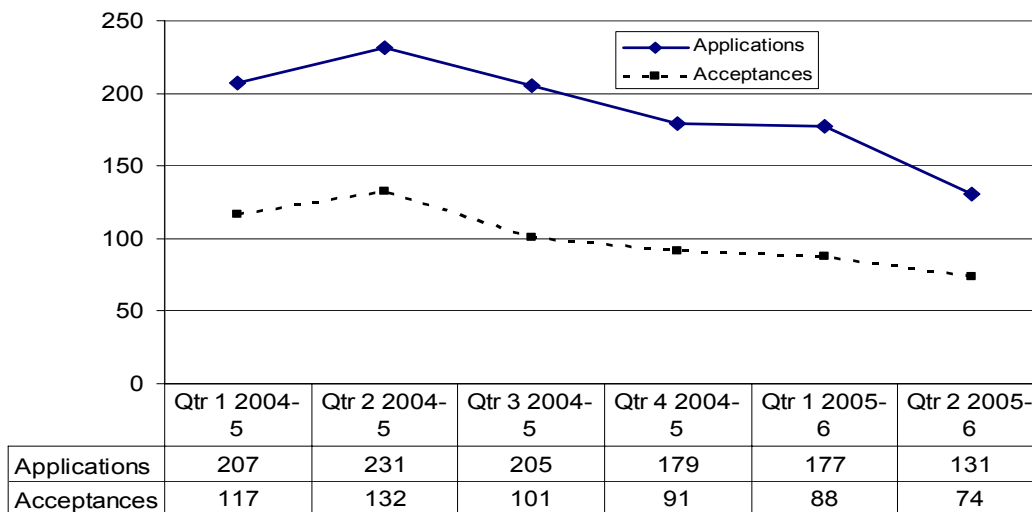
This has resulted in the housing register in terms of general needs housing being effectively “capped” by homeless applicants with only limited numbers of letting being made from general needs applicants. The current level of high points awarded to homeless applicants (4000) was originally a means of ensuring that applicants received sufficient priority to be re housed as soon as practicable. However, with the increased number of homeless cases this now has the perverse affect of contributing to the problem as effectively any general needs applicant must access these additional points to have any opportunity of obtaining an offer of accommodation.

## 3.2 **THE PREVENTION AGENDA**

3.2.1 The Government published its national homelessness strategy in March 2005 - *Sustainable Communities; settled homes; changing lives*, this seeks to address the increasing levels of homelessness through a number of actions but two of its key themes are preventing homelessness and supporting vulnerable households. The Council working through the County Durham and Districts Supporting People Partnership and the establishment of the Integrated Teams for Vulnerable Adults has made significant progress in the area of support for vulnerable households, prior to the publication of this document.

3.2.2 There was a recognition that the Councils Homelessness Service needed to be reengineered to reflect the new prevention agenda, therefore a service review was undertaken and an action plan produced with its implementation beginning in April 2005. The Housing Advice and Homelessness Service is focusing on homelessness prevention and tenancy support issues. The implementation of the prevention agenda is also supported by a number of new Best Value Performance Indicators introduced by the Government from April 2005 focusing on this service area. The implementation of the action plans has had some early success with a 35% reduction in the number of homeless applicants in the first two quarters of 2005/6 compared with 2004/5, as shown in the graph overleaf.

**Homeless Applications and Acceptances**



### 3.3 **HOMELESSNESS AND ALLOCATION POLICY**

3.3.1 The Office of the Deputy Prime Minister (ODPM) issued in November 2002 a revised Code of Guidance on the Allocation of Accommodation. This document sets out in broad terms how local housing authorities should frame their allocations policy for housing. The guidance requires that the Council should give **“reasonable preference”** to certain groups of applicants including homeless applicants accepted for assistance and further **“additional preference”** to certain sub groups i.e. homeless applicants at the risk of violence. The current level of high points awarded to homeless applicants (4000) was originally a means of ensuring that applicants received sufficient priority to be re housed as soon as practicable. This is significantly higher than the number of points that any other applicant can achieve this therefore represents **“outright preference”** rather than reasonable preference as described in the Code of Guidance. Without changing the number of points allocated to homeless applicants their remains a strong incentive to apply as homeless, the housing register will remain “capped” by this group of applicants and the impact of the prevention work currently being undertaken may be undermined

3.3.2 Officers of Neighbourhood Services and the Housing Departments have looked at the options to change the current points system to ensure that homeless applicants are given reasonable preference and that for other applicants there exists a realistic opportunity to obtain an offer of housing. The proposed changes are set out in Table 3 and are based on an analysis of the current housing register.

**Table 3 Reasonable Preference Homelessness Points**

<b>Category of applicant</b>	<b>Current number of points awarded</b>	<b>Recommended number of points</b>
<b>Homeless applicants in temporary accommodation</b>	4000	100
<b>Family</b>	4000	40
<b>Couple/single person</b>	4000	35

The implementation of these new points totals will ensure that homeless applicants will be in the top 10 – 15% of housing applicants and will receive an offer with in a reasonable timescale. More points are awarded to those applicants in temporary accommodation due to the need to re house this client group more quickly than those applicants, for example, living in with family or friends. This is also linked to a range of Best Value Performance Indicators on the use tempaory accommodation. The other applicants who receive a lower number of points are those homeless applicants commonly defined as “homeless at home” i.e. living in with family or friends with no security of tenure.

In addition to being awarded these “homelessness” points the applicants would also be awarded their normal general needs points. Those applicants requiring additional preference due to for example violence or the threats of violence would be awarded social needs points to reflect these circumstances.

- 3.3.3 Currently homeless applicants are made a single offer of accommodation as discharge of the Council homelessness duty; however have the same level of choice as general need applicants. This means if they choose a high demand area then they can be waiting for a considerable period of time for an offer of accommodation. Given that homelessness priority is a reflection of housing need then it is reasonable that this degree of choice should be limited to a Housing Management Area e.g. Area 2 Ferryhill, West Cornforth and Chilton, unless there is other reason that make a particular location unsuitable i.e. proximity to a violent ex partner.
- 3.3.4 The Homelessness Act 2002 explicitly excludes 16/17-year-old care leavers from the priority need categories. The Code of Guidance recommends that such young people are subject to joint co operation arrangements with Social Services; such a requirement is not currently reflected in the points system. Therefore it is recommended that care leavers are allowed access to the housing register subject to a suitable care package being in place and are awarded 15 points to reflect their lack of security of tenure.

### 3.4 **IMPLEMENTING AND REVIEWING THE CHANGES TO THE POINTS SYSTEM**

- 3.4.1 In order to make the necessary IT changes, develop suitable procedures, train staff, partners and other stakeholders on these changes it is envisaged that these changes will be implemented by the end of January 2006.
- 3.4.2 Due to the dynamic nature of the housing register and the major changes recommended in this report it is recommended that a further report be presented 6 months after the implementation of these changes to detail the impact on the Housing Register.

### 4. **RESOURCE IMPLICATIONS**

- 4.1 None

### 5. **CONSULTATIONS**

- 5.1 The proposed changes detailed within this report will be discussed with the Tenants Housing Services Group and other partners to ensure they are fully aware of the reasons for the changes and the impact on the operation of the Housing Register.

### 6. **OTHER MATERIAL CONSIDERATIONS**

- 6.1 The Community Strategy Outcomes include a Borough with Strong Communities where residents can access a good choice of high quality housing. The Council's ambitions, which are linked, to the Community Strategy outcomes and are articulated through the Corporate Plan and the Medium Term Financial Plan. Our ambitions include delivering a Borough with Strong Communities with good quality affordable housing in safe neighbourhoods. The changes to the points award to housing applicants detailed in this report will ensure that access to the housing register is based on need and will contribute to sustainable communities.
- 6.2 **Risk Management**  
The key risk associated with the report is the changes do not ensure the discharge of the Council's Homelessness duty the flexibility to make minor changes to the points system as set out in this report mitigates this risk.
- 6.3 **Health and Safety**  
There are no additional health and safety implications over and above those for existing staff of the Borough Council.
- 6.4 **Sustainability**  
Effective and appropriate letting of housing can directly contribute to the sustainability of communities.
- 6.5 **Information Communications Technology**  
There are no specific ICT considerations.
- 6.6 **Equality and Diversity**  
Full account will be taken of the Borough Council's obligation to promote equity and diversity, INRAs are currently being undertaken for Homeless and Allocations these will take account of the proposed changes in this report..

- 6.7 Crime and Disorder  
There are no immediate Crime and disorder implications of the report.
- 6.8 Human Rights  
There are no immediate Human Rights issues contained within the report.
- 6.9 Social Inclusion  
Every effort will be made to ensure that through the allocation of housing social inclusion is promoted.
- 6.10 Procurement  
There are no immediate procurement issues contained in the report

7. **OVERVIEW AND SCRUTINY IMPLICATIONS**

- 7.1 Overview and Scrutiny Committee 2 will receive a presentation on the implementation of the Homelessness Prevention agenda and Choice Based Lettings on the 29<sup>th</sup> November 2005.

8. **LIST OF APPENDICES**

- 8.1 None

-----

**Contact Officer** Ian Brown  
**Telephone Number** 01388 816166 Ext. 4462  
**E-mail address** [ibrown@sedgefield.gov.uk](mailto:ibrown@sedgefield.gov.uk)

**Background Papers:**

[List other reports, publications documents and papers referred to in the preparation of the report. Include previous reports to Cabinet on the subject of the report.]

Sustainable Communities; settled homes; changing lives, - Office of the Deputy Prime Minister 2005

Code of Guidance on the Allocation of Housing - Office of the Deputy Prime Minister 2002

**Examination by Statutory Officers**

	Yes	Not Applicable
1. The report has been examined by the Councils Head of the Paid Service or his representative	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. The content has been examined by the Councils S.151 Officer or his representative	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. The content has been examined by the Council's Monitoring Officer or his representative	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. The report has been approved by Management Team	<input checked="" type="checkbox"/>	<input type="checkbox"/>

This page is intentionally left blank