

Devon Home Choice

Report to: **Overview and Scrutiny**
Date: **27th August 2015**
Title: **Devon Home Choice Policy Review**
Portfolio Area: **Customer First**

Wards Affected: **All**

Relevant Scrutiny Committee: **Overview & Scrutiny**

Urgent Decision: **N** Approval and clearance obtained: **Y**

Date next steps can be taken:
(e.g. referral on of recommendation or implementation
of substantive decision)

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Recommendations:

1. To note the content and findings of this report
2. To recommend to Executive to remain in the Devon Home Choice partnership and review in 12 months
3. To recommend to Executive to make no changes at this time to the South Hams District Council Local Allocation Policy and review in 12 months

Devon Home Choice

1. Executive summary

- 1) This report reviews the existing arrangements for Devon Home Choice – the Authority’s current model of allocating affordable housing in the district. We will summarise the experiences of other authorities who have made significant changes locally to the Devon Home Choice Policy and set out the reasons for our recommendations for going forward.

2. Background

- 1) Devon Home Choice has operated in South Hams since 2010. It is a partnership between all 10 Local Authorities and 25 Registered Providers. There is a common policy between all partners, however in addition South Hams District Council also has its own local allocation policy which forms the basis on which units of affordable housing are allocated to people in housing need and or with a local connection. (Appendix 1)
- 2) The Devon Home Choice Policy (Appendix 2) was last reviewed at the Community Life and Housing Scrutiny Panel on the 27th March 2014, with a recommendation that it be reviewed in 12 months time. Due to elections and the maternity leave of the key member of staff, this is the earliest it has been able to be reviewed.
- 3) There are currently 1334 applications on the South Hams Devon Home Choice Register, in Bands A-E, The breakdown of which is below.

Band	A (Emergency)	B (High)	C (Medium)	D (Low)	E (No Housing Need)
Number of Applicants	0	168	252	577	337*

(As of 30th July 2015)

*Please note the reduction in Band E applicants from the full monitoring report as of 1/4/15, this is due to a review of applicants in this band.

Although Band E represents “No Housing Need”, in South Hams we have allocated accommodation to people in this band, when higher bands have been exhausted. In the 2014/15 financial year 226 general needs properties were advertised in the South Hams through Devon Home Choice. Of this 9% were allocated to people with no housing need. (Appendix 3 is the breakdown of these properties)

For sheltered housing this increased to 20% of the available properties, allocated to applicants in this band. These properties included flats, properties with age restricting criteria and where there was a local connection requirement

Devon Home Choice

In rural areas the priority for sustainability and homes for local people has been a condition of the land being released for new homes. This was the case in 2014 with land in Holne. Therefore it is not unusual for homes in very rural areas being allocated to a local family who is not in housing need.

An example of this is the new scheme recently let in Salcombe. This is an area renowned for its high number of second homes, above average house prices and the limited number of vacancies that occur in affordable rented stock. It was felt necessary to go above and beyond the Local Allocations Policy and implement a specific local letting plan. All of the new properties were allocated to people with a local connection to Salcombe and 5 of the 14 properties were let to people in Band E.

- 4) The most common changes other Devon Local Authorities have made to their operation of Devon Home Choice is in connection to the exclusion of applicants in Band E – No housing need. Both Torbay and Teignbridge Councils closed their housing registers to Band E applicants in 2014, following new powers contained in the Localism Act 2011. This has reduced the pool of applicants potentially applying for housing and represents a change to the partnership policy. Despite not registering applicants 2% of general needs properties were still allocated to Band E applicants and 4% in Teignbridge. These applications were registered with other Local Authorities.
- 5) In addition, in the case of Torbay the change to Devon Home Choice has seen them bear the advert costs for all homes advertised in Torbay. Last year this was 293 general need homes at £25 per advert - a total additional cost of £7325. In South Hams this would be an additional cost of approximately £5650 based on the 14/15 figures. This is because the partner Landlords viewed this as a deviation from the partnership agreement and therefore a return to the nominations process where the Landlord would request an applicant from the Local Authority.

One of the other major changes to the policy in Teignbridge was the added criteria to Band D for “community contribution”.

a) What is Community Contribution?

Community contribution is defined as....

- Applicants in paid or unpaid employment for more than 16 hours per week for a period of more than 12 months; Example roles include:
 - School Governor
 - Parish Councillor
 - Community Land Trust Board Director
 - Church Warden
 - Member of the PTFA
 - Organisers of Sports / Social Clubs

Devon Home Choice

- Member of Teign Valley Community Hall Committee
- Any other “significant” contribution in respect of time and duration.

This was introduced to caveat people who contribute locally and to a large degree (at least 16 hours a week) but otherwise would have been in Band E and unable to register. However there is a further list of people who will qualify for housing who have to contact the Registered Provider directly. This introduces some risk into the process, as there are multiple channels in which people can apply, it also impacts on an applicant’s ability to self-serve by registering online and having to telephone the provider during office opening times. Having an open register, allowing anyone to register mitigates against this. As the Community Contribution criteria favours people who make a significant contribution to their local community (at least 16 hours a week) if South Hams District Council chose to explore this option, an equality impact assessment would be necessary to ensure this would not be detrimental to certain groups – for example carers or people who work full time and therefore are unable to volunteer to this degree.

- 6) In conjunction with our Local Allocations Policy the Council remains lawful with regards to giving priority to people with local connection whilst meeting its statutory duty towards people in a “reasonable preference” group (this includes people who are homeless or have a need to move for their health & wellbeing). (Section 4.6 & 4.7 of the South Hams District Council Allocations Policy, Appendix 1)

3. Options available and consideration of risk

- 1) South Hams is a non-stockholding authority and if we wished to consider changes to our Allocations Policy or Devon Home Choice, Registered Providers may view this as a return to a nomination agreement which could see us both charged for property adverts as is the case with Torbay, and also change our entitlement to Registered Provider’s properties. (i.e. in the case of properties transferred from South Hams District Council to Tor Homes the agreement is for 75% of properties to be let in accordance with Council policy, the other 25% for the Registered Provider to allocate as they see fit. As a regional landlord this could mean tenants coming from elsewhere in Devon or Cornwall, outside of our control. That could mean (using 2014/15 figure) of the 286 properties advertised (226 general needs and 60 sheltered) potentially 72 properties could be allocated outside our policy.
- 2) New powers contained in the Localism Act 2011 allowed Local Authorities to restrict access to its register. The London Borough of Kensington & Chelsea is one Authority that made this change, reducing their register by insisting all applicants attend a face to face process to determine eligibility. While certainly reducing numbers on the register, Members may wish to consider that this is a London Borough, with easier routes of access and ample transport links than applicants may find in South Hams, and while certainly it has reduced the numbers of applicants in no housing need, it is acknowledged that in South

Devon Home Choice

Hams we do not always allocate based on housing need but on a local connection. These applicants under this scheme would be excluded.

- 3) If we wished to make significant changes to our allocations policy and withdraw from Devon Home Choice completely we would need to purchase our own IT system that supported the corporate desire for channel shift towards self-serve and the additional administration costs, whilst still being at a comparable cost as Devon Home Choice for our Registered Providers. As we are non-stock holding we cannot meet our statutory functions under the 1996 Housing Act (as amended) without these partnerships.
- 4) There has been no change in legislation which would mean that Devon Home Choice was no longer fit for purpose. It fulfils the function we require of it. The Devon Home Choice register already includes a residency test as part of the eligibility criteria; in December 2013 further guidance was issued by the Government called *providing social housing for local people* which is in addition to Allocation of Accommodation guidance issued in 2012. This stated that local authorities could decide whether a local connection criterion was implemented to prioritise housing for local people in their area. This paper specifically mentions local connection through family and employment within the **district**.
- 5) South Hams had previously implemented this for bands A – D within the local allocations policy in May 2013. The 2013 paper goes further and advises that when dealing with sensitive rural villages, local connection could be defined as a parish connection. This could therefore incorporate Band E. However, should members decide to explore this option within the allocations policy it should be born in mind that there are risks. South Hams District Council needs to meet their statutory duty of those within a “reasonable preference” category within our district. Implementing this may mean that we are unable to fulfil this and the use of temporary accommodation could rise due to much of the district being rural and the acute shortage of affordable housing. If members choose to explore this then a further legal view will need to be sought regarding “sensitive rural areas” and our ability to meet our statutory requirement.
- 6) We have recently conducted a survey of applicants in South Hams & West Devon. We received 442 responses to 5 questions around local connection. A summary of the results is included at Appendix 4. One of the questions was on whether the person the local authority should prioritise is the person in the worst circumstances or the person with the local connection. By a small majority (51.62%) people believed it was the person in the worst circumstances. This is reflected in our Allocations Policy and also our S106 agreements which prioritise housing need in conjunction with local connection.

4. Proposed Way Forward

Devon Home Choice

- 1) It is recommended that South Hams District Council do not make any changes to the existing Devon Home Choice policy in the local area, and to review in 12 months.
- 2) It is recommended that the South Hams District Council Allocations Policy remains as is and is reviewed in 12 months.
- 3) The Devon Home Choice partnership offers South Hams District Council a robust platform on which to manage a housing register. It remains fit for our purpose at low cost.

5. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	<p>The Localism Act 2011 can restrict access to its Housing Register and are no longer required to keep an “open register”</p> <p>The Council is bound by Part 6 of the 1996 Housing Act (as amended) to give “reasonable preference” to certain groups of people. These are as follows</p> <ul style="list-style-type: none"> • People who are homeless • People occupying insanitary or overcrowded housing or otherwise living in unsatisfactory housing conditions • People who need to move on medical or welfare grounds • 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) <p>Both the Devon Home Choice Policy & The South Hams Allocations Policy meets these statutory requirements.</p>
Financial		<p>Current expenditure on maintaining the Housing Register is minimal £13k This is for one part-time member of staff and £1000 a year towards printing costs, and software updates.</p> <p>If we wished to leave Devon Home Choice, the</p>

Devon Home Choice

		<p>additional staff and advert cost would be £20,200. There would also be additional one off IT costs for purchasing software.</p> <p>If we remained in Devon Home Choice but made changes to the policy which Registered Providers viewed as a return to our historical nomination arrangement, potentially we would need to finance the advert costs, as is the case in Torbay. This will be a further £5650 and an estimated additional staff resource of £4275.18.(based on an additional day a week of existing post holder)</p>
Comprehensive Impact Assessment Implications		
Equality and Diversity		If Members wished to introduce a Community Contribution criteria, this would require an Equality Impact Assessment to ensure that some groups were not treated less favourably than others (main report section 2:5: a :)
Safeguarding		No direct safeguarding concerns with regard to this policy, however there are inbuilt processes and systems within the Devon Home Choice system to deal with our most vulnerable applicants.
Community Safety, Crime and Disorder		No direct implications
Health, Safety and Wellbeing		Both the Devon Home Choice Policy and South Hams Local Allocations Policy give reasonable preference to people requiring housing due to Health, safety & Wellbeing.
Other implications		None

Supporting Information

Appendices:

Appendix 1 – South Hams Local Allocations Policy.

Appendix 2 Devon Home Choice Policy (Please note this is a 79 page policy)
http://www.devonhomechoice.org.uk/Devon_Home_Choice/PDF/DHCPolicyv40from19May15.pdf

Devon Home Choice

Appendix 3 – Breakdown of General Needs Band E Lets

Appendix 4 2015 Local Connection Survey

Appendix - 5 Annual Devon Home Choice 14/15

Background Papers:

Localism Act 2011

Housing Act 1996 (as amended)

DCLG Providing Social Housing for Local People.

Rural Allocations Report 2014-15 –Devon Rural Housing Partnership

Process checklist	Completed
Portfolio Holder briefed	Yes
SLT Rep briefed	Yes
Relevant Exec Director sign off (draft)	Yes
Data protection issues considered	Yes
If exempt information, public (part 1) report also drafted. (Committee/Scrutiny)	n/a