

Report of: Housing Services Business Manager

To: Executive Board

Date: 19 June 2006

Item No:

Title of Report : Housing Allocation Scheme – Proposed Change to Help Prevent Homelessness



Summary and Recommendations



Purpose of report: To ask the Executive Board to approve interim changes to the Housing Allocation prior to the introduction of Choice Based Lettings Scheme.

Key decision: Yes


Portfolio Holder: Councillor Ed Turner


Scrutiny Responsibility: Housing




Ward(s) affected: All

Report Approved by:

 Councillor Patrick Murray - Portfolio Holder

 Jeremy King - Legal Services

 Aid Higgins - Financial Services

Policy Framework:

 Improving environments where we live and work

 Making Oxford a safer city

Recommendation(s):

1. To RECOMMEND Council to approve changes to the Housing Allocation Scheme, as set out in the report.



1. Introduction

2. Currently those applicants accepted as statutorily homeless receive a greater priority than those on other Housing registers both through the number of housing points awarded and the percentage of allocations made to this group.
3. This policy approach has an unintended consequence in that the 'homelessness' route is perceived as the main avenue into social housing. This is not to suggest that there is necessarily any 'abuse' of the system. It is likely for example that where parents share their home with a son or daughter with their own family they will put up with the daily inconvenience of communal living or overcrowding if there is light at the end of the tunnel in terms of rehousing through the General register. However if this is not the case (with perhaps the applicants having a 'non active' status) then the parents are more likely to ask their son or daughter (and grandchildren) to leave thereby rendering them homeless.
4. The consequence of this is an increased cost to the Council both in terms of administering the legislative regime for assessing homelessness and in terms of securing, managing and repairing temporary accommodation for the statutory homeless.

5. Prevention of Homelessness

6. The thrust of recent Government initiatives is to reduce homelessness and indeed the Government has imposed targets on the authority to reduce the amount of households in temporary accommodation by 50% by 2010.
7. One concrete way of preventing homelessness is to settled accommodation in the private sector for households who would otherwise have been accepted as statutorily homeless.
8. This currently happens to a degree through the successful Home Choice scheme whereby the Council introduces applicants to landlords in the private rented who have expressed an interest in providing accommodation sector.
9. The Home Choice Team arranges for the customer to view the property of their choice, usually with the Landlord or Letting Agent present.
10. If the customer and landlord are both willing to proceed the Home Choice Team will send off a Pre Tenancy Determination Form to the Rent Officer to ascertain what rent level Housing Benefit will be able to

pay.

11. If the rent level is acceptable to Housing Benefit, tenant and Landlord the Home Choice team will sort out the necessary paperwork, Housing Benefit Forms, Tenancy Agreement etc and will arrange to pay the tenancy deposit direct to the Landlord or Letting Agent
12. At the end of the tenancy period The Home Choice Team would be looking to renew the tenancy.
13. However many households are extremely reluctant to opt for the Home Choice scheme because to do so has the following results:
 - There is much less security of tenure in the private sector. The standard tenancy is an Assured Shorthold tenancy, which only requires that the landlord gives valid Notice to quit to guarantee possession at Court (without the need to cite grounds)
 - Those accepted as statutory homeless qualify for permanent rehousing into the social housing sector (provided there is no reason to discharge the duty) even though they may face an average wait in the region of 4 years. Whereas those who opt for Home Choice are not given any priority and are assessed in the same way as any other General register applicant despite having foregone the option of acceptance as statutory homeless.
 - Therefore applicants have little or no incentive to consider the Home Choice scheme and there are disadvantages in so doing.
14. The scheme has great potential in terms of the number of landlords interested. However this reluctance on the part of applicants prevents the Council from utilising this successful scheme more fully and thereby reduces our capacity to prevent homelessness through the Private rented sector [PRS]
15. Cost is not a significant issue in the equation because the cost of second stage temporary accommodation is on a par with the PRS and Housing Benefit exists to assist those on lower incomes with their housing costs.

16. Equal Priority

17. It is proposed that equal priority is given through the Allocations scheme to both those who accept the Home Choice scheme and those accepted as statutory homeless.
18. It must be emphasised at this point that only those households who would otherwise have been accepted as homeless are allowed to opt

for Home Choice and its accompanying priority.

19. This means that all households who approach the Council as homeless undergo the same rigorous investigation of their circumstances to decide if they are likely to be accepted as meeting the statutory tests and are homeless. It is at the point immediately prior to acceptance of the homelessness duty that the applicant becomes a candidate for Home Choice and is allowed a choice between accepted as homeless and the Home Choice scheme. A monitoring process will be put in place to verify that the applicant would have been accepted as homeless, including scrutiny by a senior officer.

20. The priority that is given through the points scheme currently to the statutory homeless is via the following awards:

Temporary accommodation points - 25 points (once only award)
Length of time in temporary accommodation - 75 points per year

21. It is proposed that exactly the same awards would be made to those in Home Choice scheme accommodation. Of course as in second stage accommodation points can also be awarded for other relevant factors such as health points.

22. Home Choice points

23. It is suggested these points should be termed Home Choice points comprising:

Home choice points - 25 points (once only award)
Length of time in Home choice accommodation - 75 points per year.

24. In order to give exactly the same priority, Home Choice applicants would have to be included administratively within the HA96 (Homelessness) register to ensure that they are included in the relevant allocations target percentage. This will allow Home Choice applicants to be given exactly the same priority as those accepted as statutory homeless.

25. This is permissible in terms of Part VI of the Housing Act 1996 and it is likely that these applicants would need to fall within the same banding as the statutory homeless on the introduction of Choice Based Lettings. Such Home Choice applicants would be homeless within the meaning of Part VII, although we have not accepted a duty and thus within a reasonable preference category.

26. Terminating the additional preference to Home Choice applicants

27. Situations will arise where it may be reasonable to cancel such additional priority. Again the approach taken can be in line with the statutory provisions relating to those accepted as homeless. Once a homelessness duty is

accepted it persists until it is discharged by one of the events listed in s193 of the Housing Act 1996. Essentially these are:

- The applicant becomes ineligible for assistance (in terms of their immigration status).
 - The applicant becomes intentionally homeless from the accommodation made available for his/her occupation.
 - The applicant accepts the offer of permanent social housing under Part VI (allocations).
 - The applicant accepts the offer of an Assured tenancy (other than an Assured Shorthold tenancy) from a private landlord.
 - The applicant otherwise ceases to occupy as his only or principal home the accommodation made available for occupation.
 - The applicant unreasonably refuses a final offer of suitable accommodation.
28. It is proposed that the same grounds would apply for removing the additional preference given to those rehoused under the Home Choice scheme. So for instance if the accommodation was lost as the result of rent arrears or anti-social behaviour or the applicant ceased occupying the accommodation then the Home Choice points would cease and their application would become a standard General register one. The applicants would have to re-apply as homeless.
29. If an applicant loses the Home Choice accommodation through no fault of their own e.g. the landlord wants to sell the property, then the household could approach the Council again and be presented with the same choice and their housing points and status would continue.

30. Qualifying offers

31. In order to be fair and to offer housing options to those already accepted as homeless and in second stage accommodation it is also proposed that an additional award of points would also apply to those willing to give up second stage and move into the private sector through the Home Choice Scheme. It is recommended that these points would be called 'qualifying offer' points and would be awarded at the rate of **75 points per year** while the applicant continues to occupy qualifying offer accommodation in the private sector. The applicant will not qualify for 'temporary accommodation' or 'home choice' points – 25 points. This priority would be terminated according to the same criteria in paragraph 27 above.
32. However this would mean that the offer of the Home Choice Scheme would have to meet the statutory criteria as a 'qualifying offer' under

ss193 (7B) - (7E) in order for the Council to discharge its homelessness duty.

33. Appendix 1 lists the requirements for a qualifying offer.

34. Conclusion

35. The adoption of such an approach would have the following benefits

- It has the potential to reduce the number of acceptances.
- It will help the Council achieve the required reduction in the use of temporary accommodation by 2010.
- It could reduce cost of temporary accommodation required
- It would increase customer choice in terms of being able to live in areas of Oxford where there is no temporary accommodation.
- It would enable the Council to meet the various targets imposed by Government in terms of preventing homelessness and reducing the quantity of temporary accommodation utilised.
- There may be the opportunity of finding suitable accommodation in the PRS (such as larger accommodation which is a premium) that is unavailable in the pool of temporary stock accessible by the Council.

36. Any savings as a result of reduced cost of temporary accommodation will be reported through the budget monitoring cycle.

37. Members are asked to approve the proposal above.

Name and contact details of author:

Dennis Boobier
Housing Needs Manager
01865 252660
dboobier@oxford.gov.uk

Background papers: None

APPENDIX 1: QUALIFYING OFFER

The Council can only discharge its homelessness duty in prescribed ways. One is the acceptance of accommodation in fulfilment of its duty. This is achieved by:

- Part VI offer of permanent accommodation
- An offer of an assured tenancy [not an AST] from a private landlord
- An Assured Shorthold tenancy from a private landlord, which counts as a 'qualifying offer'.

In order to be a qualifying offer certain criteria must be met. These are:

1. It is made formally by the authority through arrangement with a private landlord with a view to bringing the duty to an end.
2. The authority is satisfied it is a 'suitable'* offer that is reasonable for the household to accept.
3. It is a fixed term tenancy [i.e. not a periodic one albeit the fixed term may be renewable e.g. 6 months at a time]
4. The offer is accompanied by a statement in writing, which states the terms of the tenancy and explains in ordinary language that there is no obligation to accept the offer but that if it is accepted the homelessness s193 duty will cease.
5. An applicant is free to reject a qualifying offer without the consequence of the duty being discharged.
6. Acceptance of the offer is only effective if the applicant signs a statement acknowledging s/he has read and understood the statement made with the offer.

* Suitability includes consideration of: affordability, security, personal circumstances and location.