



Report for:	Cabinet
Title of report:	Housing Allocations Policy (Capital threshold)
Date:	24 May 2022
Report on behalf of:	Councillor Mrs Margaret Griffiths, Portfolio Holder for Housing
Part:	I
If Part II, reason:	N/A
Appendices:	Appendix 1 Briefing Paper – Supported Housing Capital Threshold 070222 Appendix 2 Briefing Paper – Supported Housing Capital Threshold – Part 2 21 0222 Appendix 3 Housing Allocations Policy 2022 Version (DRAFT) Appendix 4 Community Impact Assessment Appendix 5 October 2021 Cabinet Report - Housing Allocations Policy
Background papers:	Cabinet report 19 October 2021
Glossary of acronyms and any other abbreviations used in this report:	Housing & Community Overview Scrutiny Committee (HC&OSC) Housing Revenue Account (HRA) Housing Senior Management Team (HSMT) Local Housing Authorities (LHAs)

Report Author / Responsible Officer

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Corporate Priorities	A clean, safe and enjoyable environment Building strong and vibrant communities Providing good quality affordable homes, in particular for those most in need
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Wards affected	ALL
Purpose of the report:	<ol style="list-style-type: none"> 1. To advise Cabinet on recent data related to the Housing Allocations process and the current sheltered housing demand 2. To inform of the reasons for the amended Capital Threshold proposal for sheltered housing allocations
Recommendation (s) to the decision maker (s):	<ol style="list-style-type: none"> 1. Cabinet to approve the capital threshold proposed in paragraph 2.4.
Period for post policy/project review:	Quarterly performance updates to Housing & Community Overview Scrutiny Committee (HC&OSC)

1 Introduction/Background:

- 1.1 Local authorities are required to have a defined housing allocations scheme in line with the Housing Act 1996, Part VI (Allocations). It is a legal requirement that the policy is reviewed in the event of legislative and or case law change. In the absence of such change, the policy should be revised every 4 years.
- 1.2 The current Housing Allocations Policy, which was adopted in April 2018, stipulates that 'Applicants will not qualify if they have the financial means to meet their own housing need. We define this as the applicant and/or their partner having in excess of £60,000 gross income or £16,000 in savings, (except where a lump sum has been paid to a current or former member of the armed forces as compensation). Supported housing applicants will be exempt from this criteria if it is evident that their financial means is £250,000 or less.'
- 1.2 Following extensive consultation with key stakeholders and HC&OSC, the revised draft Housing Allocations Policy was presented to, and approved by, Cabinet in October 2021, with scheduled implementation in the summer of 2022. This new policy proposed no upper capital threshold. At the time of writing the policy, the service had a high number of sheltered housing vacancies, with a lack of demand for Supported Housing properties in Dacorum, which was resulting in lengthy and repetitive advertising cycles, extremely high void periods and loss of income to the Housing Revenue Account (HRA). As a result, it was proposed to remove the capital threshold, to increase the uptake of supported housing accommodation.
- 1.3 Due to a changed position, as a result of extensive preparatory work to aid the implementation of the new policy, new data is now available and this has informed proposals to revise the position. To inform decision making, data has been obtained from The Association of Housing Advice Services (AHAS), Office for National Statistics in relation to the Consumer price inflation, an Age UK paper in relation to rising energy bills and open market research in relation to average market valuations for private sale and rental properties. The Housing Senior Management Team (HSMT) has considered the findings presented and determined that the implementation of a revised capital threshold is appropriate. The outline findings were presented to the Strategic Leadership Team (SLT) in April 2022, and SLT feedback identified that, as Cabinet had previously approved the policy and the proposal to implement a capital threshold was a fundamental policy change, the findings needed to be presented to Cabinet.
- 1.4 Cabinet is requested to agree a capital threshold for sheltered housing applicants, to ensure that all future housing is allocated based on need, means and affordability – further details are set out below.

2 Key Issues/proposals/main body of the report:

- 2.1 Since the approval of the new Housing Allocations Policy, the Strategic Housing Service has undertaken extensive customer engagement to aid data cleansing of the Housing Register, consequently there are now currently 2886 applicants on the Housing Register.

The current applicant demand profile is set out below:

Bed size	Number	Sheltered need	Adapted need	Adapted & sheltered need
1 bed	1654	234	48	24
2 bed	557	-	20	7
3 bed	496	-	21	0
4 bed	139	-	8	0
5 bed	34	-	1	0
6 bed	6	-	-	-

- 2.2 Demand for, and take up of, supported housing has increased during the latter stages of 2021 and has continued into 2022, consequently this has seen the number of void properties reduce. This is as a result of targeted engagement undertaken by the Supported Housing and Housing Needs Teams; many applicants have also given feedback that the pandemic has led to reconsideration of their future living requirements and support needs. As a result, this activity, alongside the completion of the Altair affordability model and early shaping of the new Strategic Housing function, has led to a review of the decision to remove the capital threshold, ensuring the future approach to allocations considers all relevant factors and available information. At the time of writing the report, the current number and status of sheltered housing voids is outlined below:

Sheltered voids	Allocated to applicant & pending void works	Pending flexi care placement	Verification before offer	Consideration for adaptation	Under advert	Long term void
60	41	1	4	3	11	2*

**3-bedroom ex-warden flat vacant since 18 October 2021 and 2-bedroom flat vacant since 16 December 2021.*

- 2.3 Further research has been conducted using a range of data sources, this research included average market value data for supported housing properties and supported housing private rentals, further details as to findings, relevant case studies and impacts are highlighted in Appendix 1. Following review by HSMT on 7 February 2022, it was felt necessary to undertake further research to identify, the housing cost level that would, prevent prospective applicants being able to access private sector accommodation. These findings were presented to the HSMT on 21 February 2022 and including details of the rising inflation, cost of living and fuel costs, the results of which can be seen in Appendix 2.
- 2.4 It is therefore proposed to introduce a capital threshold of £400,000 for supported housing applicants and that this threshold be implemented within the new policy, which will be implemented in June 2022. The average open market value to purchase a general needs property within the Dacorum Borough is averaged at £400,978 (as at February 2022). The threshold is therefore in line with these values and is considered to be an appropriate level to set the threshold, as it is considered this is threshold amount where applicants would have sufficient means to seek to resolve their own housing difficulty. It should be noted that there may be exceptional cases, where the households' circumstances and essential future housing needs prevent them from resolving their housing situation, despite having capital means of £400,000 or more (e.g., significant adaptations required). Each application to the register is assessed on its own merits in line with the policy and in such cases, officers will determine if the Exceptions to Policy applies.
- 2.5 When undertaking an affordability assessment of a household, full consideration will need to be given to household income, all assets including owned property and any related business assets, in addition to stocks, shares, investments and other financial interest or equity. Applicants with capital/financial interest over the threshold should be in the position to make sufficient purchase decisions within the Borough to resolve their housing situation.

The new draft policy can be viewed at Appendix 3.

3 Options and alternatives considered

The alternative option is to retain the original decision presented to Cabinet in October 2021. If the capital threshold is fully removed as previously proposed, there will be significantly more applicants able to access the housing register who have the potential to resolve their housing situation using their financial means. Not implementing a capital threshold could potentially impact other aspects of organisational service delivery such as Private Sector Housing and Revenue & Benefits, due to a potential increase in Empty Homes.

4 Consultation

In reaching the revised capital threshold proposal, consultation has been undertaken with the Housing Senior Management Team, the Strategic Leadership Team and the Chair of HC&OSC.

5 Financial and value for money implications:

The Housing Operations Service, and its costs, are reviewed annually through a national benchmarking organisation (Housemark). Council homes let via the Council's Housing Allocations Policy are let in line with the Rent Regulators framework.

6 Legal Implications

6.1 The allocation of housing accommodation by local housing authorities (LHAs) is regulated by Part VI of the Housing Act 1996. Further to Section 166A(1) of the Housing Act 1996 (as amended by the Homelessness Act 2002 and the Localism Act 2011) it is a statutory requirement for the council to have a scheme for determining priorities between qualifying persons and as to the procedure to be followed.

6.2 It is good practice to review the schemes regularly to ensure compliance with the law and relevant guidance and that the scheme is addressing housing need effectively in the LHA's area.

7 Risk implications:

The intention of this report is to comply with legislation and therefore avoid the risk of any non-compliance.

8 Equalities, Community Impact and Human Rights:

8.1 A Community Impact Assessment was undertaken on 26 September 2021 in collaboration with the Diversity and Inclusion Lead Officer. The assessment identified the potential for negative impacts relating to age, disability, and race. In order to mitigate the impact of these outcomes, the service has reviewed processes and implemented measures to ensure that additional support can be provided to those where service access is impacted. Arrangements to be implemented include, but are not limited to, interpreting services, provision of paper application forms in Braille, assistance with voice recordings and home visits.

8.2 There are no Human Rights Implications arising from this report.

9 Sustainability implications (including climate change, health and wellbeing, community safety)

When allocating social and affordable housing, due consideration is given to health, safety and welfare of individual and the local community – taking into consideration risk management, safeguarding arrangements and other relevant prescribed conditions such as licence requirements and other Court Orders.

10 Council infrastructure (including Health and Safety, HR/OD, assets and other resources)

The Housing Allocations Policy underpins the Council's approach to the allocation of social housing assets, ensuring that the authority makes best use of stock, additionally the policy sets out the approach in relation to allocation of accommodation to the Council's employees and elected members to ensure full compliance and robust management.

11 Statutory Comments

Monitoring Officer:

No further comments to add to the legal implications included in the report.

S151 Officer:

The introduction of the capital threshold limit is not projected to have a negative impact on void levels and hence there is no projected financial impact on the HRA. The introduction of the threshold at £400,000 is in line with local property prices and would appear appropriate to allow the HRA to support vulnerable residents in the borough.

12 Conclusions:

This report outlines the current position in relation to the Housing Allocations Policy, approved by way of previous Cabinet in October 2021 and informs Cabinet of the reasons for proposing an amendment to this policy, by way of introducing a capital threshold for Sheltered Housing applicants.