



# Cabinet



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<b>Report for:</b>	Cabinet
<b>Title of report:</b>	Local Connection Policy for Other Affordable Housing Tenures
<b>Date:</b>	21 May 2024
<b>Report on behalf of:</b>	Councillor Simy Dhyani, Portfolio Holder for Housing and Property Services
<b>Part:</b>	I
<b>If Part II, reason:</b>	N/A
<b>Appendices:</b>	Draft Local Connection Policy for Other Affordable Housing Tenures Community Impact Assessment Glossary & key definitions
<b>Background papers:</b>	
<b>Glossary of acronyms and any other abbreviations used in this report:</b>	NPPF – National Planning Policy Framework

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<b>Corporate Priorities</b>	<ul style="list-style-type: none"><li>• Building strong and vibrant communities</li><li>• Ensuring economic growth and prosperity</li><li>• Providing good quality affordable homes, in particular for those most in need</li></ul>
<b>Wards affected</b>	ALL
<b>Purpose of the report:</b>	To gain approval for a local connection policy for affordable tenures not covered by the housing register
<b>Recommendation (s) to the decision maker (s)</b> :	That the Local Connection Policy is approved
<b>Period for post policy review:</b>	Two Years

## 1 Introduction/Background:

Dacorum Borough Council is committed to ensuring that Affordable Housing within the borough is available to local people who have a housing need that cannot be satisfied by the open market alone.

The Housing Allocations Policy, currently in place, refers to the allocation of social housing and Affordable Homes for Rent via the housing register and for which the Council will generally have nomination rights. There are other Affordable Housing tenures that can offer eligible households a subsidised route to home ownership and/or provide sub-market rents. Such properties do not always require households to register with the Council and the Council does not always have nomination rights to these properties.

The Council wishes to ensure that, where possible, Other Affordable Housing is prioritised for people with a local connection to the borough, (or village if applicable), and to essential keyworkers who work, or have a firm job offer, in the borough but who may be finding it difficult to access housing in Dacorum.

With the introduction of First Homes, the Council is also seeking to introduce this Local Connection policy to ensure that any First Homes marketed will be prioritised to those households with a qualifying local connection for three months.

This policy will formalise the Council's approach to affordable tenures that are not allocated via the housing register.

This report will show:

- a. what affordable housing tenures are available;
- b. properties to which this policy would apply;
- c. which households are currently being catered for on the housing register;
- d. which households could be eligible for properties other than those allocated to from the housing register;
- e. the process for prioritising eligible households;
- f. other considerations.

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

- a. Affordable housing is defined in Annex 2 to the National Planning Policy Framework (NPPF) and now includes First Homes (see glossary/appendix).
- b. Properties to which this local connection policy would apply – The proposed policy would apply to properties that are not required to be allocated via the housing register. These will be referred to as 'Other Affordable Housing'. This will include affordable home ownership products such as First Homes, Shared Ownership, Rent to Buy and rented tenures such as Intermediate Rent and Affordable Private Rent. (See glossary attached for further information on these housing products).
- c. The housing register caters for those most in need and for whom home ownership and private rent is unaffordable or unattainable. It currently focuses on providing properties at social and affordable rent to lower income households who do not have the financial means to meet their own housing need.

There is currently a restriction on the amount of savings and income an applicant, and/or partner combined, can have to join the housing register.

Applicants to the housing register must also have a local connection, (with some exemptions), to Dacorum and, in some cases, to named villages.

- d. Eligibility for Other Affordable tenures – The Government sets eligibility criteria that can vary slightly between products. The upper income threshold for eligible households is normally £80,000 outside London. Eligibility is also usually restricted to households who do not already own or have an interest in a property. However, an owner-occupier can access shared ownership if their property is sold either before, or at the same time, as buying if they are otherwise unable to purchase a suitable home to meet their needs on the open market without assistance. Examples of this might be a need to re-locate or a relationship breakdown.

Eligible households with incomes of £80,000 or less could be eligible for Other Affordable Housing tenures but may be excluded from the Dacorum housing register because, for example, they exceed the savings and income thresholds or the stricter local connection criteria.

In addition, properties let through the housing register at an Affordable Rent can sometimes exceed the demand on the register (this could in part be due to financial eligibility restrictions). In such cases, we propose that the Council will use their discretion to make these properties available to applicants who are not on the housing register but who have demonstrated they are eligible for Other Affordable Housing.

The wording for the local connection largely reflects the wording within the Council's Housing Allocations Policy, where possible. The time period a local connection is required for has been reduced to one year to reflect the nature of Other Affordable Housing tenures and their status between 'social' housing and more 'intermediate' housing products and so as not to be overly restrictive for all parties as this could discourage local investment in such tenures.

The Government has not set out a national definition for keyworkers or local connections for the purposes of First Homes but, instead, empowers local authorities to take these decisions in the best interests of their areas and residents. In recognition of the fact that keyworkers and essential workers play an integral part in the sustainability of our local communities, it is therefore proposed that those keyworkers who work, or who have a firm offer of a job which falls within the definition of a keyworker within the borough, will also be prioritised for Other Affordable Housing tenures, even if they do not live in Dacorum. A keyworker definition is proposed in the policy. The proposed wording is assembled from a number of sources and is supplemented by the last bullet point which allows for 'other critical workers that the Council, acting reasonably, shall approve'. The policy does allow for workers who provide care services (including those who work in care homes). Where a need is identified for other private sector essential workers this will be considered in future iterations.

To clarify, the policy also recognises that some military personnel, members of the British Armed Forces and, in some instances, their divorced/separated or bereaved spouse or civil partner, will not require a local connection and may even have priority over those that do have a local connection for some properties, for example, Government funded shared ownership.

- e. Process for prioritising eligible households - Other Affordable Housing tenures, including First Homes, will need to conform to this local connection policy. The Housing Needs team at Dacorum Borough Council will be able to verify to the landlord or vendor whether or not the applicant has a local connection in accordance with the policy.
- f. Other considerations –
- i. First Homes – First Homes are expected to be sold directly by the developer/vendor, which leaves the administration and enforcement of First Homes to the local authority rather than a Registered Provider. This includes the checking of a local connection, application forms and documents, providing the vendor with authority to proceed, conveyancing, etc. National planning policy means that circa 25% of s106 affordable

units are likely to be First Homes. The workload will fall on both Housing and Legal services at both initial sale and the point of re-sale. A template S106 including First Homes will also be required. The impact of First Homes, particularly on the Legal department, be explored and considered over the coming months.

- ii. Secondary register – The local authority should consider whether a secondary register for Other Affordable Housing tenures should be introduced and how. It may be that those who did not qualify for the housing register can elect to be held on this register. This would likely require a change to the software for the housing register, which, subject to Cabinet approval of this Policy, will be explored as part of the Housing Transformation and Improvement Programme.

### **3 Options and alternatives considered**

- a. No local connection policy for Other Affordable Housing tenures:
  - This would allow these properties to be immediately let or sold to applicants who live or work outside the borough.
- b. Adopt a local connection for Other Affordable Housing (without including Keyworkers)
  - Whilst people with a local connection would be prioritised, attracting Keyworkers who might not currently live in the borough to work here could be difficult.
- c. Adopt a local connection policy for Other Affordable Housing (including Keyworkers):
  - Properties, including First Homes, would be prioritised for local people
  - Keyworkers could be attracted to jobs within the borough because they would be able to access Other Affordable Housing. This should assist towards making the local community more sustainable and support recruitment to key employment sectors.

### **4 Consultation**

Assistant Director of Planning  
Strategic Planning & Regeneration Officers  
Assistant Director of Housing Operations & Safe Communities  
Housing Needs Manager  
Assistant Director of Place, Communities and Enterprise  
Assistant Director of People  
Legal Governance Manager  
Legal Assistant  
Head of Financial Services

### **5 Financial and value for money implications:**

None

### **6 Legal Implications**

The policy will need to be referenced in future s106 and nomination agreements and any related policies/procedures.

### **7 Risk implications:**

See 2(f) for other considerations.

Vendors/landlords will need to have a cascade that allows them to sell/let a property without it remaining void for any significant period of time and incurring significant losses. The policy has been designed to provide for this.

## **8 Equalities, Community Impact and Human Rights:**

A Community Impact Assessment has been carried out and is shown at Appendix 4 - there are no negative impacts likely on any protected group and exceptional circumstances can be considered on a case-by-case basis further mitigating this. No further actions therefore required.

Human Rights – there are no Human Rights Implications arising from this report.

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

None

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

As cited at 2f (i) there will be unavoidable work required by the Local Authority caused by First Homes, particularly on the Legal department. The local connection policy will be an element of this but will be less impactful and will fall mainly to the Housing Needs team to assess.

## **11 Statutory Comments**

### **Monitoring Officer:**

This policy will help to ensure that any allocation decisions are made on a consistent basis in accordance with relevant government guidance and advice

### **S151 Officer:**

This policy will improve the transparency and consistency of decision making without having a financial impact on the service.

## **12 Conclusions:**

A Local Connection Policy for Other Affordable Housing tenures will prioritise affordable homes (including First Homes) that are not allocated via the housing register for people with a local connection to Dacorum borough or one of the named villages. The policy has been drafted to include essential/keyworkers who have a job offer in the borough in order to help attract staff who would not otherwise have had a local connection to key roles in our public and care sector. The policy is considered flexible enough not to discourage developers and Registered Providers from building and providing affordable homes in Dacorum.

The draft Interim Affordable Housing Supplementary Planning document, also timetabled for Cabinet in May, will help to delivery this policy by drawing attention to it through planning policies.