



## Hinckley & Bosworth Borough Council

Forward timetable of consultation and decision making

Scrutiny Commission                      22 July 2022

Wards affected:                              All Wards

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### Social Housing Demand

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Report of Director (Community Services)

#### **1. Purpose of report**

- 1.1 To update members on social housing demand within the borough.
- 1.2 To provide members with further update on the Allocations policy since its implementation in 2018.
- 1.3 To outline other considerations that impact the availability of rental accommodation.

#### **2. Recommendation**

- 2.1 That members note the content of the report.

#### **3. Background to the report**

- 3.1 Part 6 of the Housing Act 1996 (amended) (The Act) governs the allocation of local authority housing stock in England. The Act requires all local authorities to have an “allocations scheme” which sets out the procedure followed when allocating social housing including how applications are prioritised. Certain categories of people must be given “reasonable preference” but local authorities are able to set their own rules to determine the relative position of different applicants with reasonable preference, to reflect local priorities. In England there is general allocation guidance, plus more specific guidance for vulnerable cohorts such as those affected by domestic abuse, care leavers and those serving or from the armed forces.
- 3.2 Broadly speaking, reasonable preference must be given to the following groups

- a) People who are homeless within the meaning of Part 7 of the Act (including those who are intentionally homeless and those not in priority need)
- b) People who are owed a duty by any housing authority
- c) People who occupy insanitary or overcrowded housing or are otherwise living in unsatisfactory housing conditions
- d) People who need to move on medical or welfare grounds, including grounds relating to a disability, and
- e) People who need to move to a particular locality in the district of the housing authority, where failure to meet that need would cause hardship (to themselves or others)

3.3 Hinckley and Bosworth Borough Council's Allocations policy was revised in 2018 to ensure that preference was given to those with the most housing need and to those with a local connection.

The main revisions to the policy were as follows.

- Applicants claiming a connection through family are required to provide evidential support;
- Applicants require a two-year local connection to the Borough in certain cases;
- Applicants are required to provide information on income and expenditure to be able to identify any issues around affordability.
- A more prescriptive approach on how applicants with rent arrears are assessed;
- Applicants who have received a warning letter for abusing staff are suspended for a minimum of three months;
- The eligibility matrix for properties was amended to bring it in line with overcrowding regulations in addition to making best use of ground floor and bungalow accommodation;
- Reasonable preference is given to certain Priority Groups as stated in the Homelessness Reduction Act 2018;
- Applicants in Critical banding are direct-matched to a property. Those applicants in Priority banding who have not been placed through the homelessness legislation are direct-matched to a suitable property after the initial 8-week period. If the offer is refused their original banding is reinstated;
- Priority and High banding groups have 8 weeks to express a choice in their bidding. This brings the process in line the legal obligations of the Homelessness Reduction Act Prevention and Relief duties.

- 3.4 As stated the revised Allocations policy was implemented in 2018. The policy is now well-embedded into working practices. Since its introduction there have been further revisions which include a revision to the household earning threshold, to ensure that this is in line with annual inflations and a revision to ensure that the Allocations policy aligns with the intentions of local 106 agreements which are in place to enable home seekers with a village connection to gain further housing preference.
- 3.5 When the policy was introduced, applicants were also encouraged to apply online. In the main this works quite well, and has consequently reduced our carbon footprint. However, it is recognised that some applicants need additional support with the online process, and the housing service is able to provide this support as required.

#### **4.0 Housing demand and the application process**

- 4.1 There is significant demand for rented social housing in the borough and demand continues to increase year-on-year. In terms of meeting the demand, the council currently has a total dwelling stock of approximately 3,220 units of accommodation. On average, 220 properties become void annually, representing an annual stock turnover of around 7%.
- 4.2 The level of demand for all council homes is high and there is particular demand for one-bedroom flats and two-and-three-bedroom houses. As outlined, the Allocations policy prioritises those most in need of housing but waiting times can still be lengthy and there is not enough council housing available to meet social housing requirements within the borough.
- 4.3 Agreements exist between Hinckley and Bosworth Borough Council and some Registered Providers (RPs) who also meet affordable housing need within the borough. Whilst the majority of RP vacancies are advertised directly through the Choice-Based Lettings scheme, there will be some RPs that advertise vacant properties through their own website. On average, RPs advertise around 100 properties a year in total, across all providers, via the Choice-Based Lettings scheme.
- Table 1 below details the number of people trying to access Hinckley and Bosworth Borough Council's Housing Register over recent years including those applications who are successful and accepted on to the Housing Register.

#### 4.4 Table 1- Number of housing applications per year

Year	Total number of housing applications initiated (NB the majority of these are not completed by the applicant)	Number of successful housing applications	Percentage of ineligible applications as a percentage of all applications (Data only available from 2020)	Number of successful applications as a percentage of all applications initiated
2015	1344	615		45%
2016	1962	612		31%
2017	1970	560		28%
2018	1678	636		38%
2019	2428	606		25%
2020	2604	780	11%	30%
2021	2704	576	12%	21%

4.5 The above table also highlights that the majority of housing applicants are not successful in joining the housing register year-on-year. In the year 2021 79% of applications started did not result in a person/family being entered on to the Housing Register. The primary reason why most applicants are not accepted on to the Housing Register is because they fail to complete the application process. Whilst there will always be applicants who are not accepted as they are ineligible to join Hinckley and Bosworth's Housing Register, this is relatively small compared to those who do not complete the applications process and therefore are not entered on the Housing Register.

The most typical reasons for ineligibility are as follows;

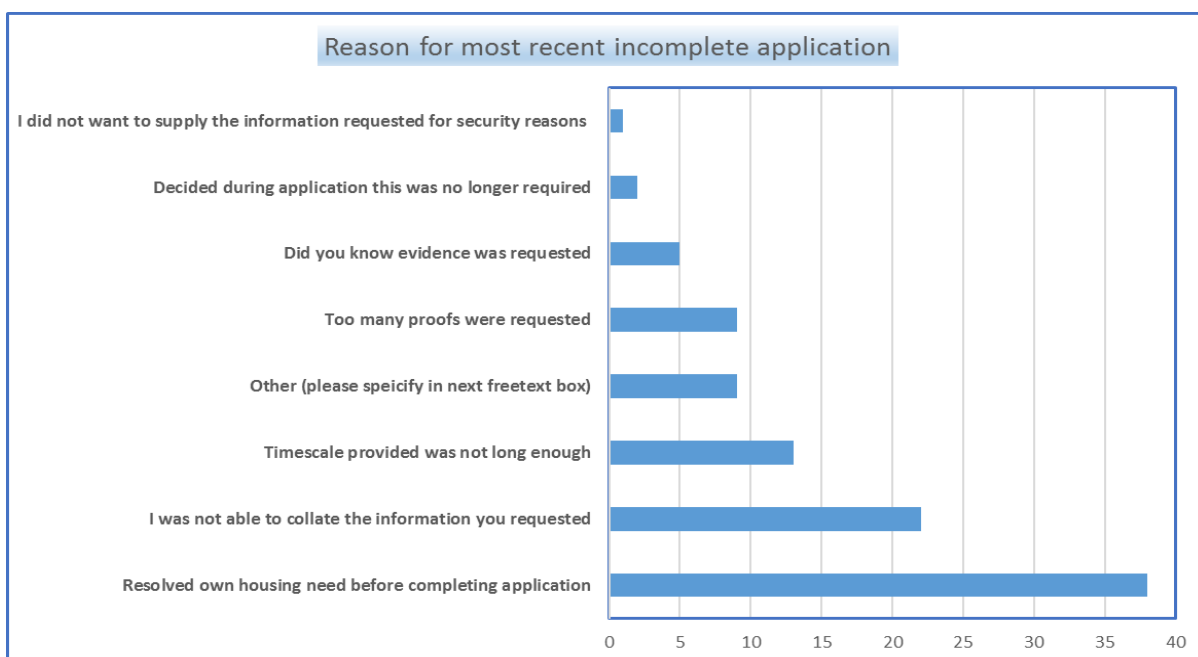
- No local connection,
- Financial means to address their own housing needs
- Rent arrears over £300 with no payment plan in place
- Behaviour (convictions or involvement in anti-social behaviour).

## 5.0 Incomplete housing applications

5.1 As stated, the majority of people who start the housing application process do not complete it. To better understand why this is so and in order to consider and address what barriers there may be for housing applicants in completing the process, a review of the application process has recently been completed.

5.2 A telephone survey was conducted with a sample of housing applicants who have repeatedly tried to apply to join the register but have not completed the process. Table 2 provides further breakdown of the main reasons people did not completed the application process;

### 5.3 Table 2 – Reason why applicants do not complete the application process



5.4 From analysis of the survey responses most people suggest that they resolved their own housing situation and therefore did not need to continue with a housing application. The second highest response suggests that applicants could not easily provide the information requested. The third highest response suggested that the timescale to provide the information was not long enough.

In order to continually improve our services work is now underway to explore these findings further and to consider how we can make the process easier and more accessible for all housing applicants.

## 6.0 Housing prioritisation

6.1 The Allocations policy adopted by HBBC operates 5 categories and explanation regarding the criteria to satisfy each category is provided in Appendix A.

6.2 The table below breaks down the current number of applications that are in each of the 5 categories.

### 6.3 Table 3- Number of housing applications in each housing priority classification

Housing priority classification	Number of current applicants
Critical	51
Priority	87
High	62
Medium	190
Low	495
Total	885

6.4 There are quite significant numbers in each housing priority classification. The consequence of this is that many applicants can be waiting for a significant amount of time before being offered a property. From a management perspective this can be very difficult, given that increasingly many of our housing applicants present with complex needs including medical or welfare needs that mean their need to move is crucial.

6.5 Appendix B provides detail regarding the profile of current applicants. Broadly speaking the data available for the year 2021 demonstrates the following trends;

- The majority of applicants to the housing register are female (67%)
- Over 60% of applications include children.
- The majority of applicants have a preference for accommodation in Hinckley, Burbage, Barwell and Earl Shilton.
- Over 23% of applicants advised they have a disability.

## 7.0 Supply and need

7.1 New affordable homes for rent are generally delivered either by way of a developer providing a number of homes for affordable housing on new developments, by selling to a Registered Provider (RP) or, in more recent years, by RPs having their own development programme and developing sites solely for affordable housing. In all these instances the legal agreement with the Local planning Authority is that new homes for affordable housing shall be let through the council's Choice Based Lettings scheme. For the 5 years up to April 2021 a total of 260 new homes for rent were delivered.

7.2 A Housing Needs Study carried out in 2019 which looked to inform the Local Plan assessed the need for 271 new affordable homes per annum up to 2036 to meet the need. Need includes affordable home ownership as well as affordable homes to rent. Targets for affordable housing are set on what it is viable for a developer to deliver, which is not sufficient to meet the overall need.

7.3 Affordable housing for rent on new sites charge an “affordable rent” which is up to 80% of local market rents. These are higher than the target rents the Council charges on most of our tenancies, but less than private landlords charge. Currently rents are around, or only slightly above, Local Housing Allowance rates and so are more appealing to applicants claiming benefits.

7.4 The Housing Needs Study assessed the different property types required to meet the identified need, and has assessed the different needs as follows:

	1 bed	2 bed	3 bed	4+ bed
Affordable Home Ownership	10%	50%	30%	10%
Affordable housing for rent	25%	40%	30%	5%

These needs, and information from the Council’s housing register, are used to inform negotiations with developers on the supply of new affordable housing to be provided.

## 8.0 Other impacts to the availability of rental accommodation

8.1 Many landlords within the private sector were adversely affected during the pandemic as the government imposed a moratorium over evictions for a number of months. Without doubt, this has created financial issues for many and landlords within Hinckley and Bosworth are no exception. Added to that are impending decarbonisation requirements and other regulations that will require financial investment, so it is perhaps no surprise that many landlords have decided to leave the market. The consequence of this is that there is less private sector rental accommodation available, increasing overall housing demand and limiting choice for our residents. Anecdotal information suggests that private sector renters are in fierce competition with as many as 20 renters at any one time trying to pursue a single property.

8.2 The supply of private sector rental accommodation is vital for the housing service to support our home seekers, particularly as many housing applicants will not meet the threshold to join the housing register due to their income level. Currently the income threshold to join the housing register is set at £49K per household and this figure is increased annually in line with inflation. Private sector rental accommodation is also something that the housing service rely on in terms of supporting homelessness applicants access settled accommodation. Without the availability of this accommodation the reality is that many homeless applicants are spending protracted periods of time in temporary accommodation.

## 9.0 Homelessness

9.1 The pandemic has increased the number of homelessness approaches to the council over recent years. The Homelessness Reduction Act 2017 which came into force in April 2018 imposed further requirements on each Local

Housing authority to extend its duties in relation to those accessing housing support or presenting as homeless. The new burdens, coupled with mandates from government over the course of the pandemic such as “Everyone In” have again led to increased numbers of people accessing housing options advice and requiring support with the provision of temporary accommodation until settled accommodation can be secured.

- 9.2 Table 4 provides information regarding the number of homelessness approaches over the last 3 years.

**Table 4- Number of Homelessness approaches by year**

	<b>April 19- March 20</b>	<b>April 20- March 21</b>	<b>April 21- March 22</b>
<b>Number of approaches for assistance</b>	605	1,003	971

- 9.3 Reasons for homelessness can be varied but the top 5 reasons for homelessness are provided below, together with the number of homelessness applicants in each of those categories.

9.4 **Table 5- Top 5 reasons for Homelessness**

<b>Top 5 reasons for homelessness</b>	<b>April 19- March 20</b>	<b>April 20- March 21</b>	<b>April 21- March 22</b>
<b>Asked to leave by family</b>	121	243	189
<b>Relationship breakdown</b>	48	131	95
<b>Section 21 notice</b>	81	71	111
<b>Fleeing domestic abuse</b>	32	83	101
<b>Sofa surfing</b>	68	71	35

- 9.5 Through its prevention policy and associated prevention fund the housing options service is able to support both homeless applicants and private sector landlords to make an allocation to a homeless applicant more attractive or more secure for private sector landlords by providing a bond or rent in advance. Yet despite these incentives many landlords are still resistant to providing accommodation to those in need who have come via the homelessness pathway. As a consequence, social housing is often the only option available for homeless applicants. As stated, homeless applicants are given reasonable preference with the Allocations policy, and the table below illustrates the number of homelessness applicants who were successful in gaining a social housing tenancy with the council over the last 2 years.



9.6 **Table 6- Number of homeless applicants accessing HBBC council housing**

<b>Year</b>	<b>Number of council units let via the homelessness pathway</b>
2020	29 ( 2 prevent, 18 relief, 39 main)
2021	59 (3 prevent, 12 relief, 44 main)

9.7 The council is able to discharge its homelessness responsibility by allocating to accommodation within its own housing stock, but given the increase in housing demand more generally, it is increasingly evident that this can only compromise the ability for other types of home seekers, particularly those in lower housing priority classifications to secure social or affordable accommodation within the borough.

9.8 The Housing Options Team will soon be undertaking a homelessness review in order to inform its strategic response over the next three years. The review will look to determine specific priorities and actions aimed at relieving homelessness and to support people to access settled and sustainable accommodation.

**10.0. Exemptions in accordance with the Access to Information procedure rules**

10.1 Report to be taken in open session.

**11.0. Financial implications**

11.1 None arising directly from this report.

**12. Legal implications (MR)**

12.1 Set out in the report.

**13. Corporate Plan implications**

13.1 The report aligns with the following corporate objectives;

People: Helping people to stay healthy, active and protected from harm

**14. Consultation**

14.1 None.

**15. Risk implications**

15.1 It is the council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.

15.2 It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.

15.3 The following significant risks associated with this report / decisions were identified from this assessment:

Management of significant (Net Red) risks		
Risk description	Mitigating actions	Owner
Increased demand may impede the council's ability to deliver statutory duties	Government have provided additional grant funding to support service delivery	Maddy Shellard
Inability to support vulnerable people	Person centred service delivery approach	

## 16. Knowing your community – equality and rural implications

16.1 The Housing Options service strives to meet its responsibilities and support vulnerable groups in accordance with statutory requirements.

## 17. Climate implications

17.1 The Housing Options service aims to deliver its services in way to minimise carbon emissions. This includes online systems and minimising travel.

## 18. Corporate implications

18.1 By submitting this report, the report author has taken the following into account:

- Community safety implications
- Environmental implications
- ICT implications
- Asset management implications
- Procurement implications
- Human resources implications
- Planning implications
- Data protection implications
- Voluntary sector

Background papers: None

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