



Chelmsford City Council Cabinet

18 October 2022

Gateway to Homechoice

Report by: Cabinet Member for Fairer Chelmsford

Officer Contact: Paul Gayler, Strategic Housing Services Manager
Email paul.gayler@chelmsford.gov.uk Telephone 01245 606375

Purpose

To confirm that the Council wishes to become a member of the Gateway to Homechoice consortium for the allocation of affordable housing and that changes will therefore be made to the Council's policy for the allocation of affordable homes.

Options

To meet the Council's legal duty (to have a policy and a system for processing and prioritising applications for affordable housing), the Council may:

- 1) Retain its existing policy and system or
- 2) Become a partner of the Gateway to Homechoice scheme.

Preferred option and reasons

Option 2 is the preferred option and is already an action in the Council's Housing Strategy. This would provide more choice and mobility for applicants to the Council's Housing Register and make best use of existing housing supply.

Option 1 leaves the Council with greater control over the allocation of homes but the benefits of choice and mobility outweigh this.

Recommendations

1. That the current policy for the allocation of affordable homes be amended to facilitate the Council's Housing Service joining Gateway to Homechoice.
2. That the Director of Sustainable Development be granted delegated authority to make the necessary amendments to this policy in consultation with the Cabinet Member for Fairer Chelmsford.
3. That the Cabinet approve £137,500 additional staffing costs for Allocations Team in Year 1 (2023/24) which from Year 2 (2024/25) will be funded through additional

homes reducing TA demand (costs). Recruitment should begin immediately, so approval of up to £60,000 additional budget for staffing is sought for 2022/23.

1. Background

- 1.1 Local Housing Authorities are required by law to have both a policy and a process for the allocation of affordable homes. Having a choice-based lettings (CBL) system to meet this obligation is strongly encouraged as applicants can see which homes are available and the lettings process is open and transparent. Chelmsford City Council adopted CBL over 20 years ago and this approach continues to work well.
- 1.2 Gateway to Homechoice is a CBL system for operating a housing register and the allocation of affordable homes procured by a consortium of local housing authorities in Essex and Suffolk. The difference compared with the Council's current CBL system is that all local authorities in the Gateway to Homechoice region have the same policy for the assessment of housing need and allocation of housing. This provides opportunities for most applicants to register with one local authority but apply for housing in the other districts as well as their own. The only exception to this is for those who are accepted as statutorily homeless who are restricted to applying for homes in the district that accepted them as homeless.
- 1.3 Our Housing Service has built links with our neighbouring authorities, for example jointly procuring services to help rough sleepers and those who are at risk of homelessness through domestic abuse. At both operational and strategic levels, it makes sense to reflect this within our policies and processes for the allocation of affordable homes as well. Joining Gateway to Homechoice would enable us to provide housing options across a much wider area than just within our own district to those on the Housing Register. This would give applicants access to a greater number of homes across a wider area. At a strategic level this will create more opportunities for the Council to work with other local housing authorities on new developments of affordable homes.
- 1.4 Most applicants will still want to find a home within the Chelmsford area but what may be a significant minority could be helped by the opportunity of moving to another area. Some families facing a wait of over four years for a larger home may prefer to bid for a home outside Chelmsford that is available more quickly. This would help them; it could also shorten the wait for others who do not wish to move areas.

2. Implications

- 2.1 Becoming part of Gateway to Homechoice will have implications which need to be recognised and understood.
- 2.2 Better mobility: As noted above, joining Gateway to Homechoice is expected to mean some applicants will wish to move areas to take advantage of quicker availability of a permanent home. We also expect movement in the other direction, but the experiences of Ipswich and Colchester suggest a net outward movement of perhaps 200 households a year to other areas. This will be monitored on a regular basis;

offers of homes to anyone from outside a district can be paused if there is an imbalance between need and supply.

- 2.3 Better use of existing housing stock: Part of the reason for expecting to achieve a net benefit is that, for various reasons, the provision of affordable homes is not consistent from one district to another, in terms of proportion, type and size. Each area may have both an under-supply of certain types of homes and an over-supply of other types. By pooling with other local housing authorities, some local peaks and troughs between supply and need can be smoothed.
- 2.4 Common housing register: Registered Providers will also be able to dispense with their own internal waiting lists for transfers, using the same policy and process for all their homes regardless of where in the sub-region they may be, helping to create what is called a 'common housing register', i.e. one single system for all applicants regardless of whether or not they are currently tenants in affordable housing.
- 2.5 Policy change: the fundamental aspects of all allocation policies are the same as they must comply with legal requirements, ensuring that those who are owed a legal duty, such as those who are homeless and vulnerable, are given priority. There are, though, some differences between Gateway to Homechoice policy and the Council's current policy which would need to be aligned. These are described below; other than giving a wider area of choice, they are not significant.

3. Changes to Policy

- 3.1 Local connection: local housing authorities can restrict applications to their housing registers to those who have lived in the local area for a minimum period. The Council introduced a local connection requirement in 2018. By contrast, applications under the Gateway to Homechoice policy can be made by anyone, as was the case with the Council's own policy until 2018. Both policies give preference to those within their area. The 2018 change has not made any difference to the growing gap between need and supply because most if not all general needs homes are allocated to those with a higher priority (those owed a duty under the homelessness legislation or living in unsuitable housing). So this change in policy is unlikely to be disadvantageous.
- 3.2 Levels of priority: Gateway to Homechoice has an additional band for those who wish to apply for housing but have no housing need. As with local connection, this is something the Council used to allow under the previous policy but dispensed with as few if any applicants were ever housed from this group. The new band would create a helpful indication as to the level of demand (rather than need) for affordable homes and reduce delays for those whose housing need becomes more urgent in the future, so this is not seen as a negative.
- 3.3 Bids per cycle: currently, each applicant is allowed to bid for up to 3 properties at any time and they can be suspended if they refuse more than two offers which are suitable. Under Gateway to Homechoice, only 2 are bids are allowed but there is no penalty for refusing an offer of a property.
- 3.4 Bidding process: there are some differences in the way bids are made for those in temporary accommodation. These are unlikely to be significant and could reduce the number of appeals, something identified in the recent peer review of our Housing Service as being unusually high.

- 3.5 Financial eligibility: the Council's policy is to assess the amount each applicant has available to meet their housing costs and consider whether they could find suitable housing from the private sector, in which case they will not be eligible to join the Housing Register. The Gateway to Homechoice policy is to place those above a pre-set level of income into Band D. This will make it easier for applicants to understand what the threshold is at an earlier stage.

4. Implementation

- 4.1 Local Housing Authorities have a duty to consult Registered Providers on any substantial changes to their allocations policy as this may affect their own policies for granting tenancies. We will need a consultation exercise later this year. The possibility of joining the Gateway to Homechoice scheme was discussed with several Registered Providers during the consultation on the new Housing Strategy. Some were very positive about this possibility as it is what they are already familiar with and using for the majority of their housing in other parts of Essex. We are not therefore expecting any concerns to emerge.
- 4.2 Before joining the Gateway to Homechoice scheme, all current applicants would have to be checked and re-assessed. This was last done in 2019/20 when the Council changed its allocations policy. We expect this to take about three months.
- 4.3 The Housing Allocations team will need to be increased to reflect current working practices and to support with the new system; this will provide capacity to manage the transition and implement the new Gateway to Homechoice scheme. This increase in staffing will cost up to £60,000 in 2022/23 and £137,500 in 2023/24 with an offsetting saving expected from 2024/25 as the system is embedded and more properties become available to Chelmsford.
- 4.4 Given these implementation steps, the aim will be to switch over to Gateway to Homechoice in September 2023.

5. Conclusion

- 5.1 As the recent report to Overview and Scrutiny on Temporary Accommodation noted, there is a growing need for temporary accommodation being experienced by many local authorities, including the City Council, which is creating a significant challenge. Joining Gateway to Homechoice is one of the measures that can widen the supply of permanent homes to help meet this need. Starting to take the preparatory steps now, as planned in the Housing Strategy, is critical if the benefits are to be realised within the next two years.

List of appendices:

None

Background papers:

Gateway to Homechoice Annual Report 2021/22

<https://www.gatewaytohomechoice.org.uk/content/Information/AnnualReport202122#Section%2010>

Corporate Implications

Legal/Constitutional: all local housing authorities must have both policies and systems in place for the allocation of affordable homes in their area. There is also a duty to ensure that reasonable preference is awarded to those in greatest need due to homelessness and overcrowding. Joining Gateway to Homechoice will improve options and the supply of homes to meet these duties. It will also resolve some challenges the Council faces in meeting the Domestic Abuse Act.

Financial: There will be an additional cost whilst two systems are needed in the same year to enable transition of data but in the longer term an improved supply will help reduce the backlog of need that would otherwise occur and the additional financial costs associated with this. The current cost of acquiring the Gateway to Homechoice system for both allocations and homelessness is less than the Council is currently paying, justifying in the longer term the additional cost of implementation.

There are additional costs of £137,500 for the new Housing Allocations team for the 2023/24 Original Budget, and up to £60,000 for 22/23 depending on when staff are appointed, but a saving will be generated to offset this once the new system is operational.

Potential impact on climate change and the environment: none

Contribution toward achieving a net zero carbon position by 2030: none

Personnel: there is a need to increase the size of the Council's Housing Allocations Team but this has already been recognised as a priority for the Service. A larger team will also mean there is capacity to manage this project.

Risk Management: the greatest risk is that inward migration in the future reduces supply to local people in need. There are controls to manage this risk mentioned above in the report.

Equality and Diversity: all allocations policies must comply with the requirements of the Equality Act. Improving the number and type of homes available, including those adapted for older people, improves options for those with protected characteristics.

Health and Safety: none

Digital: there will be a change of software used for application to the Housing Register, advertising and allocation of affordable homes included as part of membership of the group.

Other: none

Consultees: Registered Providers will be formally consulted as part of the implementation plan.

Relevant Policies and Strategies: Chelmsford City Council Housing and Homelessness Strategies