



## AGENDA

### EXTRA-ORDINARY SCRUTINY COMMITTEE MEETING

Date: Tuesday, 24 November 2020

Time: 7.00pm

Venue: Virtual Meeting Via Skype\*

Membership:

Councillors Lloyd Bowen (Chairman), Richard Darby, Steve Davey, Mike Dendor (Vice-Chairman), Tim Gibson, Alastair Gould, James Hall, Carole Jackson, Elliott Jayes, Denise Knights, Pete Neal, Hannah Perkin and Ken Pugh.

Quorum = 4

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Pages

#### Information for the Public

\*Members of the press and public can listen to this meeting live. Details of how to join the meeting will be added to the website after 4pm on Monday 23 November 2020.

#### Privacy Statement

**Swale Borough Council (SBC) is committed to protecting the privacy and security of your personal information. As data controller we ensure that processing is carried out in accordance with the Data Protection Act 2018 and the General Data Protection Regulations. In calling to join the meeting your telephone number may be viewed solely by those Members and Officers in attendance at the Skype meeting and will not be shared further. No other identifying information will be made available through your joining to the meeting. In joining the meeting you are providing the Council with your consent to process your telephone number for the duration of the meeting. Your telephone number will not be retained after the meeting is finished.**

**If you have any concerns or questions about how we look after your personal information or your rights as an individual under the Regulations, please contact the Data Protection Officer by email at [dataprotectionofficer@swale.gov.uk](mailto:dataprotectionofficer@swale.gov.uk) or by calling 01795 417179.**

1. Apologies for Absence and Confirmation of Substitutes
2. Declarations of Interest

Councillors should not act or take decisions in order to gain financial or other material benefits for themselves or their spouse, civil partner or

person with whom they are living with as a spouse or civil partner. They must declare and resolve any interests and relationships.

The Chairman will ask Members if they have any interests to declare in respect of items on this agenda, under the following headings:

(a) Disclosable Pecuniary Interests (DPI) under the Localism Act 2011. The nature as well as the existence of any such interest must be declared. After declaring a DPI, the Member must leave the meeting and not take part in the discussion or vote. This applies even if there is provision for public speaking.

(b) Disclosable Non Pecuniary (DNPI) under the Code of Conduct adopted by the Council in May 2012. The nature as well as the existence of any such interest must be declared. After declaring a DNPI interest, the Member may stay, speak and vote on the matter.

(c) Where it is possible that a fair-minded and informed observer, having considered the facts would conclude that there was a real possibility that the Member might be predetermined or biased the Member should declare their predetermination or bias and then leave the meeting while that item is considered.

**Advice to Members:** If any Councillor has any doubt about the existence or nature of any DPI or DNPI which he/she may have in any item on this agenda, he/she should seek advice from the Monitoring Officer, the Head of Legal or from other Solicitors in Legal Services as early as possible, and in advance of the Meeting.

3. Call-in - Local Housing Company - Report to follow 5 - 16

The Cabinet Member for Housing and the Head of Housing, Economy and Communities, Chief Financial Officer and Monitoring Officer have been invited to attend.

4. Call-in - Housing Allocations Policy - Report to follow 17 - 44

The Cabinet Member for Housing, Head of Housing, Economies and Communities and the Affordable Housing Enablement Manager have been invited to attend.

5. Exclusion of Press and Public

To decide whether to pass the resolution set out below in respect of the following item:

That under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Act:

3. Information relating to the financial or business affairs of any particular

person (including the authority holding that information).

6. Exempt Appendix - Local Housing Company

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### **Issued on Monday 16 November 2020**

The reports included in Part I of this agenda can be made available in **alternative formats**. For further information about this service, or to arrange for special facilities to be provided at the meeting, **please contact DEMOCRATIC SERVICES on 01795 417330**. To find out more about the work of the Scrutiny Committee, please visit [www.swale.gov.uk](http://www.swale.gov.uk)

**Chief Executive, Swale Borough Council,  
Swale House, East Street, Sittingbourne, Kent, ME10 3HT**

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# Agenda Item 3

## Appendix iv

### Call in Form

*NB: Please note that urgent decisions are not subject to Call-in. (See paragraph 16 of O&S procedure rule 15)*

<b>Decision/Minute Number: 215</b>	<b>Deadline Date for Call-in:14/11/20</b>
<b>Cabinet: 28<sup>th</sup> October 2020</b>	
<b>Reason for making the Call-in</b> (*please continue on a separate sheet as appropriate)	
<p>The creation of a local housing company within Swale will have financial implications for the council and wider taxpayer for years to come. Also consideration to the knock on costs to the council in terms of loss of parking facilities and income.</p> <p>Councillors have not had the opportunity to discuss this item at a council meeting nor ask relevant questions to better understand the basis on which cabinet agreed the decision. The discussion at cabinet where the creation of a LHC did not offer the opportunity for councillors to question on the detail of the proposal.</p> <p>Although some members received the blue paper in advance of the meeting with sufficient time to read the report it is apparent that a lot of members were not in receipt of the paper until the evening of the cabinet meeting or not at all. Furthermore the blue paper suggests that a business case could be made but what has been presented and agreed by cabinet is suggested as a business case.</p> <p>The item was on blue paper so may not have been seen by all councillors and a call in for members to ask any relevant questions should be agreed.</p> <p>There are questions relating to the LHC itself and members should be able to question to fulfil their needs of understanding what is being proposed ie directors allocated by the cabinet of the day and lifespan of the company.</p> <p>I think members should have the opportunity, on behalf of the residents of swale, to be able to question the Cabinet members and reassure themselves that the individual members are aware of and have considered the full implications of the decision.</p>	
<b>Please also tick the boxes as appropriate:</b>	
Decision outside Policy and Budgetary Framework	yes
Inadequate consultation relating to the decision	yes
Viable alternative not considered	

Relevant information not considered		
Justification for the decision open to challenge on the basis of the evidence considered		
<b>The Alternative proposal is</b> (*please continue on a separate sheet as appropriate). For the cabinet to reconsider the decision and potentially not create a LHC.		
<b>Called-in by:</b>		
Chairman of the Scrutiny Committee		yes
Vice-Chairman of the Scrutiny Committee, in the absence of the Chairman		
Five non-Cabinet Members		
Name	Signature	Date
<b>Checklist</b>		Yes/No
Does the reason and alternative proposal cover any of the types of decisions (1-10) in the Constitution Overview and Scrutiny Procedure Rules?		*Specify which exemption
Is the call-in form completed correctly?		
Has the call in form been received within the specified time?		
The reason for the call in is unclear or does not relate to the decision specified on the call-in form		
The reason for the call in is a question the answer to which can be found in the report		
Is the request frivolous or defamatory?		

<b>Authorisation</b>	
Discussed with Policy and Performance Officer/ Democratic Services	
Monitoring Officer is justification for call-in valid?	
Please return hard copy to:  Democratic Services, Swale House, East Street, Sittingbourne, ME10 3HT	For office use only  Form received by:  Date and time:

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<b>Cabinet Meeting</b>	
<b>Meeting Date</b>	28 <sup>th</sup> October 2020
<b>Report Title</b>	Establishment of Local Housing Company (LHC)
<b>Cabinet Member</b>	Cllr Ben Martin, Cabinet Member for Housing
<b>SMT Lead</b>	Charlotte Hudson, Head of Housing, Economy and Community Services
<b>Head of Service</b>	Charlotte Hudson, Head of Housing, Economy and Community Services
<b>Lead Officer</b>	Charlotte Hudson, Head of Housing, Economy and Community Services
<b>Key Decision</b>	Yes
<b>Classification</b>	<b>Open / Restricted Appendix.</b>
<b>Recommendations</b>	<ol style="list-style-type: none"> <li>1. To create a Local Housing Company called Swale Rainbow Homes Ltd.</li> <li>2. To appoint Cllr. Ben J Martin, Cllr Monique Bonney, Emma Wiggins and Charlotte Hudson as directors of the LHC.</li> <li>3. To appoint David Clifford as Company Secretary for the LHC.</li> <li>4. To appoint the Leader and Cabinet Member for Finance, Deputy Cabinet Member for Housing, Deputy Cabinet Member for Health, Chief Executive and Chief Financial Officer to the shareholder panel.</li> <li>5. To adopt the business plan shown in Appendix I.</li> <li>6. To transfer the Council owned land old bus depot (East Street), Fountain Street and Cockleshell Walk Carpark to the LHC in exchange for an equity share in the LHC.</li> <li>7. To loan the LHC up to £23 million to fund the Capital development.</li> <li>8. To delegate to the Chief Financial Officer in conjunction with The Leader and Cabinet Member for Finance authority to allocate working capital to LHC from the North Kent Shared Business Rates.</li> </ol>

## 1 Purpose of Report and Executive Summary

- 1.1 This report provides Cabinet with an update on the feasibility work undertaken to create a LHC and proposes the establishment of a Local Housing Company (LHC) to deliver against the affordable housing priority. It sets out the legal and financial considerations and seeks approval of the inaugural business plan.

## 2 Background

- 2.1 In March 2020 Cabinet was provided with a range of options regarding increasing the supply of affordable housing in the borough, it was agreed to carry out further feasibility on the creation of a LHC.
- 2.2 Savills have been appointed to develop a business plan for the LHC and to form a base model to ensure that the proposals were financially viable and met the delivery objectives. In addition, Trowers and Hamlin LLP have been appointed to provide legal advice to the Council on its powers to establish, fund and transfer land to the LHC, as well as technical advice on state aid and procurement.

### Structure to Deliver Housing.

- 2.3 In order to determine if the LHC route was the best option available to the Council, our powers to deliver housing were reviewed. The Council is a "local housing authority" for the purpose of the Housing Act 1985 (the **1985 Act**) and Section 9 of the 1985 Act empowers local housing authorities to provide housing accommodation by acquiring land on which to build, building housing or acquiring houses. It is arguable that this is the most "natural" housing power available to the Council for the provision of general needs social rented accommodation. Any properties acquired / built using the Section 9 power must be accounted for in a council's Housing Revenue Account (HRA) in accordance with Section 74 of the Local Government and Housing Act 1989 (the **1989 Act**).
- 2.4 The Council no longer operates a HRA as a result of completing a stock transfer a number of years ago. Current government guidance states that up to 199 social dwellings may be held in the General Fund under a Direction from the Secretary of State. Once the 200 threshold is reached, a local authority *must* hold them in a (re-opened) HRA.
- 2.5 The Council must therefore have sound reasons for not using Section 9 and developing and retaining affordable rental accommodation in a LHC. (This issue does not arise with market products, as Section 9 is not the "natural" power for delivery of that tenure.
- 2.6 To establish the LHC the Council can rely upon Section 1 of the Localism Act 2011 (the **2011 Act**) which contains the "general power of competence". The general power of competence permits a local authority to do anything an individual may do, subject to a number of limitations. A local authority may exercise the general power for its own purpose, for a commercial purpose and/or for the benefit of others.
- 2.7 If a Council uses the general power of competence for a commercial purpose, it must do so through a company (section 4 of the 2011 Act). However, there is nothing which precludes a local authority from using a company even when it is not acting for a commercial purpose.

## REPORT TO CABINET 28.10.20

- 2.8 Section 2 of the 2011 Act limits the exercise of the general power of competence where it "overlaps" with a power which predates it. This includes a council's power to trade under Section 95 of the Local Government Act 2003 (the **2003 Act**). It would be prudent therefore for the Council to comply with the requirements and limitations to which Section 95 is subject. These are set out in Regulation 2 of the Local Government (Best Value Authorities) (Power to Trade) (England) Order 2009 (the **2009 Order**) which requires a business case to be prepared and approved by a council before a company starts trading. The 2009 Order also provides that local authorities must recover the costs of accommodation, goods, services, staff or any other thing that it supplies to a company which facilitate its power to trade.
- 2.9 Having considered the option of delivering from the general fund/HRA or the formation of the LHC, a LHC is preferred for the following reasons:
- 2.9.1 while affordable rent / low cost home ownership products are favoured, the LHC may be delivering multi-tenure sites to address site viability issues. It makes commercial sense (and will result in efficiency savings) to keep all units at a site under single ownership.
- 2.9.2 rent flexibility following the application of the Regulator of Social Housing's Rent Standard to council properties (which came into effect on 1 April 2020). This would not apply to properties held by the LHC and so the LHC would have more flexibility than the Council through any re-opened HRA to charge rent at different levels for different tenants, relating to income or some other criteria, such as for key workers. It also allows for the switching of tenure from market to affordable and vice versa which is problematic under the Rent Standard.
- 2.9.3 if the properties developed in the LHC were allocated to those who would not normally qualify for general needs housing or nomination to a Housing Association, this would help the Council to distinguish between what it might ordinarily have provided as a housing authority and what the LHC will provide.
- 2.9.4 it is likely that tenants of the LHC would be granted assured tenancies under the Housing Act 1988 and it has been recommended that the LHC lets properties on assured short-hold tenancies (**AST**). A key feature of an AST is that the landlord has the right to regain possession of the property at the end of the fixed term as long as the landlord gives two months' notice (although this may be changed by the Rented Homes Bill). In this situation the LHC would have the ability to change the tenure of the properties it holds should the market require different types of stock. This gives the LHC the ability to react to the market.
- 2.9.5 Using the LHC gives the Council a means of exit, should this be required. The Council would be able to sell the company / its shareholding in the company and sell-on the housing portfolio by way of a share sale. This gives the Council a flexibility in the marketplace which it would not have if it held the properties directly.

## **Creation of LHC**

- 2.10 Part V of the Local Government Act 1989 together with the Local Authorities (Companies) Order 1990 (the **Companies Order**) imposes a number of statutory requirements on companies which are controlled or influenced by local authorities. On the basis that the LHC will be wholly owned by the Council and its directors will also be appointed by the authority then the LHC will (under this legislation) be classified as a non-arm's length controlled company.
- 2.11 Directors appointed to the company will need to act in the best interests of the company. The company records and information are available to the Council to provide overview and scrutiny and regular reporting will be required. To do this effectively a shareholder panel will also be created to ensure regular oversight.

## **Business Plan / Model**

- 2.12 Savills were commissioned to develop the business plan and associated modelling. The overarching aim of the model has been to maximise the delivery of affordable properties whilst also making a return for the Council. For this reason, the baseline outline business case is based on 100% affordable rented properties. The definition of affordable being the lower of the Local Housing Allowance (LHA), or 80% of market rent (this ensures that tenants would be eligible for full benefit cover for their rents, if needed).
- 2.13 The model also provides an alternative appraisal for the introduction of mixed-tenure with 25% of the sites providing properties at market rent level.
- 2.14 The detailed business plan is shown in Appendix I as a restricted document due to the commercial nature of the information. However, the key principles have been outlined in this section of the report. It should be noted that modelling took place for social rents and had to be discounted as they were not financially viable.
- 2.15 The principal aims of the Council in undertaking the LHC is to:
- Increase the supply of affordable housing;
  - ensure that the solution is financially viable and doesn't place a financial burden on the Council;
  - ensure the properties are energy efficient as possible within the financial constraints;
  - ensure densities are appropriate for the location and management of any scheme;
  - control and influence around what is delivered;
  - quality and design standards; and
  - acts as exemplar landlord in the rented sector.
- 2.16 The model has been run on three sites in Sittingbourne already in council ownership which have been identified for development, which is estimated to

## REPORT TO CABINET 28.10.20

provide 139 properties. The property mix will be 1- and 2-bedroom flats and maisonettes. The need for 1- and 2-bedroom properties currently makes up 68% of the housing register.

- 2.17 The model has been developed based upon appropriate build costs, provides allowances to enable energy efficiency standards as well as factoring in whole lifecycle costs of developing, managing, and maintaining the properties. Overall development costs are between £20 million and £23 million. The latter includes provision for energy efficiency.
- 2.18 The LHC will be able to finance the build of these properties through loans borrowed from the Council and an injection of working capital; this is discussed in detail in the finance section.
- 2.19 The model makes allowances for development management, landlord management and maintenance and operational costs, cashflow forecast have been modelled on these assumptions. The LHC would, initially, need to appoint a managing agent to carry out both management and maintenance of the housing stock.
- 2.20 The initial appraisal based upon a 100% loan financing and land transferred to the LHC in exchange for equity shares in the company, demonstrates an overall financially viable position as measured by debt payback. The loans taken out by the company are able to be repaid within a 50-year period after the final phase of development.
- 2.21 The Council will also benefit from owning shares in a company where the asset value should increase over the coming years and with the likely requirement that 10% of the modelled properties must be let at affordable levels in perpetuity (Local Plan requirement), provides the opportunity to sell or rent the remainder at market levels, depending on need, demand and financial considerations.
- 2.22 The ability to own a company that can provide an annual income stream, repay loans over a reasonable payback period from assets that increase in value means the route of a LHC represents a genuine opportunity to deliver value in housing supply and financial value to the Council.

### Transfer of Land

- 2.23 The following sites have been identified to transfer to the LHC to deliver the first scheme of housing, in return for an equity share in the company.
- Old Bus Depot (East Street);
  - Cockleshell Walk Carpark; and
  - Fountain Street.
- 2.24 The market value of these sites based upon independent valuations equates to £1.925m.

## REPORT TO CABINET 28.10.20

- 2.25 Approval is requested to transfer the sites to the LHC in return for an equity share of £1.925m
- 2.26 Any future pipeline sites will be reviewed by the Council based on its Property Asset Strategy and viability consideration and brought forward at a future date for Cabinet to consider.

### Chief Financial Officer Assessment

- 2.27 This report has been written by the Head of Housing, Economy and Community Services but it has a significant financial element to it. In fact after the Sittingbourne Town Centre project it is the most significant capital investment this Council has made. This commentary reflects the Chief Financial Officer's comments. It should also be emphasized that the Leader and Cabinet Member for Finance and the Chief Financial Officer have been closely involved in the development of the business case.
- 2.28 Professional advice- the model has been developed by a financial expert at Savills and the legal advice has been obtained from Trowers and Hamlin LLP who were recommended by others who have been through this process. The advice has been of high quality and assumptions behind the model have been robustly challenged.
- 2.29 Borrowing- the company will be funded through two main means. Working capital will come from the North Kent Shared Business Rates funding of £1.7m. The investment in the build will be funded from borrowing. The business case assumes that this will be long term Public Works Loan Board (PWLB) funding. In the current financial environment local authorities, can borrow much more cheaply from other local authorities. The last borrowing the Council undertook was at a rate of 0.27% compared with PWLB maturity rates currently at 2.6%. So the company will have an agreed schedule of funding drawdowns but the Leader and Cabinet Member for Finance and the Chief Financial Officer will decide the source of funding.
- 2.30 Minimum Revenue Provision- when borrowing is undertaken to fund capital expenditure on the completion of the asset Minimum Revenue Provision has to start to be made. This is basically making a charge to the revenue budget, the revenue is then accumulated in the balance sheet to repay the debt at the end of the agreed period. Savills, Trowers and Hamlin LLP and Arlingclose (the Council's treasury advisers) have confirmed that the repayment of debt through annual contributions from the company is acceptable and the Council's Minimum Revenue Provision Policy already allows for this. It is important to remember that the Council has the security over the assets as the owner of the company.
- 2.31 Value of the land- no cash changes hands and from the Council's perspective it no longer holds the land asset as land- rather the value of the land is reflected in the (enhanced) value of the new share capital in the company. The Council has funded the purchase of the land through internal borrowing.

## **REPORT TO CABINET 28.10.20**

- 2.32 Governance- neither the Leader and Cabinet Member for Finance or the Chief Financial Officer will be directors of the company, but they will attend all board meetings and receive all company papers. The Shareholder Panel is explained in this report. The company directors legally have to act in the best interests of the company. Whether it is through non-Council directors nominated to the board or professional advisers it will be essential that the company board has the appropriate skills to oversee the developments and the ongoing property management. There will need to be formal reporting to the shareholder and independent scrutiny of the activities of the company.

### **3 Proposals**

- 3.1 To create a Local Housing Company called Swale Rainbow Homes Ltd.
- 3.2 To appoint Cllr. Ben J Martin, Cllr Monique Bonney, Emma Wiggins and Charlotte Hudson as directors of the LHC.
- 3.3 To appoint David Clifford as Company Secretary for the LHC.
- 3.4 To appoint the Leader and Cabinet Member for Finance, Deputy Cabinet Member for Housing, Deputy Cabinet Member for Health, Chief Executive and Chief Financial Officer to the shareholder panel.
- 3.5 To adopt the business plan shown in Appendix I.
- 3.6 To transfer the Council owned land old bus depot (East Street), Fountain Street and Cockleshell Walk Carpark to the LHC in exchange for an equity share in the LHC.
- 3.7 To loan the LHC up to £23 million to fund the Capital development.
- 3.8 To delegate to the Chief Financial Officer in conjunction with The Leader and Cabinet Member for Finance authority to allocate working capital to LHC from the North Kent Shared Business Rates.

### **4 Alternative Options**

- 4.1 Alternative delivery options were explored in the Cabinet report in March 2020. The legal delivery mechanism options are explored in the main body of the report.

### **5 Consultation Undertaken or Proposed**

- 5.1 Research has been undertaken in relation to LHC and with other authorities who have an active LHC and advice taken from Savills and Trowers and Hamlin LLP.

### **6 Implications**

## REPORT TO CABINET 28.10.20

<b>Issue</b>	<b>Implications</b>
Corporate Plan	The increase of affordable housing in the borough supports priorities within the Local Plan.
Financial, Resource and Property	The financial implications are set out in the main body of the report.
Legal, Statutory and Procurement	Legal advice has been received from Trowers and Hamlin LLP in relation to the creation of a LHC and the main legal considerations are set out in the main body of the report. Localism Act General Power of Competence provides the legislative framework for the Council to create a LHA as set out in the main body of the report.
Crime and Disorder	None identified at this stage.
Environment and Sustainability	Modelling has taken into consideration energy efficiency requirements.
Health and Wellbeing	None identified at this stage.
Risk Management and Health and Safety	The business plan includes a risk plan for the LHC and initial development programme.
Equality and Diversity	None identified at this stage.
Privacy and Data Protection	None identified at this stage.

## 7 Appendices

### 7.1 Appendix I - Business Plan

## 8 Background Papers

Cabinet Report March 2020 on Affordable Housing - <http://10.201.65.162/documents/s14201/Cabinet%20180320%20-%20Affordable%20Housing.pdf>



<b>Scrutiny Meeting</b>	
<b>Meeting Date</b>	24 <sup>th</sup> November 2020
<b>Report Title</b>	Establishment of Local Housing Company (LHC) – Scrutiny Call in
<b>Cabinet Member</b>	Cllr Ben Martin, Cabinet Member for Housing
<b>SMT Lead</b>	Charlotte Hudson, Head of Housing, Economy and Community Services
<b>Head of Service</b>	Charlotte Hudson, Head of Housing, Economy and Community Services
<b>Lead Officer</b>	Charlotte Hudson, Head of Housing, Economy and Community Services
<b>Key Decision</b>	Yes
<b>Classification</b>	<b>Open / Restricted Appendix.</b>
<b>Recommendations</b>	1. Scrutiny note the additional information provided in this report and the Cabinet report of 28 <sup>th</sup> October 2020.

## **1 Purpose of Report and Executive Summary**

- 1.1 This report provides Scrutiny with an initial response to the reasons for call-in in relation to the creation of Swale LHC and resolutions made by Cabinet on 28th October 2020.

## **2 Background**

- 2.1 Cabinet resolved at the meeting of 28<sup>th</sup> October to form a LHC in Swale and to provide funding based upon the initial business plan to develop out 3 sites in Sittingbourne. The full details of the Cabinet decision can be found within the Cabinet report and shown in the accompanying copy of the Cabinet report.
- 2.2 A call-in has been made by the Chair of the Scrutiny Committee for the following reasons:
- Financial implications for the Council and wider taxpayer
  - Consideration of loss of parking facilities and income.
  - Opportunity for councillors to discuss the proposal and understand the basis for the decision.
  - Query of the status around the business case.
  - Understanding the composition of the company and lifespan of the company.

- 2.3 The Cabinet report sets-out the financial implications in relation to the LHC and included a statement from the S.151 officer on his position. This LHC and the initial project outlined in the business plan provides a position of being self-financing through the rental model which will cover operating costs and debt repayment and therefore does not have negative financial implications for the Council or wider tax payer.
- 2.4 In relation to the direct loss of income from parking from Cockleshell Walk, the reprovision of carparking was considered as part of the Spirit of Sittingbourne scheme and the business case for the development of the Multi-Storey Carpark (MSCP). Therefore, currently there is overprovision and therefore the income will be transferred and make the MSCP more viable. Under these proposals the Spring Street Carpark will be retained and is a key commuter carpark. The rental income from Fountain Street for £10,500 was already accounted for in the 20/21 budget. The Old Bus depot site was bought speculatively several years ago with no firm plans on its use. It has been subject to a short-term lease which generates a rent of £23k p.a. The income from this site was deemed a short-term windfall until the strategic benefit of the land could be maximised.
- 2.5 We note that members want to discuss the decision in more detail to understand the full details of the proposals. We have arranged for Steve Partridge and Simon Smith from Savills to attend to respond to your detailed questions in relation to the financial model and business case.
- 2.6 The Scrutiny Call-in states “the blue paper suggests that a business case could be made but what has been presented and agreed by cabinet is suggested as a business case”. The business case in Appendix I of the Cabinet report, provides a proposal for Cabinet to decide if this is the approach that they wanted to take, based upon modelling undertaken by the consultants. Cabinet having considered the proposals have agreed to adopt the business case as their initial project. Clearly more work needs to be done to progress the development (as would be normal practice) and the business case provides the framework and assumptions that are required to be met by the LHC.
- 2.7 The final reason for call-in relates to the formation of the company, appointment of directors and lifespan of the company. The Cabinet report of 28th October sets out the legal reasons for forming a company rather than using the natural power the Council has in relation to developing housing from the general fund or a re-opened Housing Revenue Account (HRA). As the decision has been made to form a company it is required to appoint directors. The directors are appointed by the Shareholders (The Council) and therefore they will have to be current elected members or officers of the Council. There is also an option for independent individuals to be appointed to the company but again this is the responsibility of the Shareholder (The Council). In terms

of lifespan, the intention is that this is a key strand of affordable housing delivery in Swale now and in the future.

### 3. Proposals

- 3.1 Scrutiny note the additional information provided in this report and the Cabinet report of 28<sup>th</sup> October.

### 4 Alternative Options

- 4.1 N/A

### 5 Consultation Undertaken or Proposed

- 5.1 Research has been undertaken in relation to LHC and with other authorities who have an active LHC and advice taken from Savills and Trowers and Hamlin LLP.

### 6 Implications

Issue	Implications
Corporate Plan	The increase of affordable housing in the borough supports priorities within the Local Plan.
Financial, Resource and Property	The financial implications are set out in the main Cabinet report.
Legal, Statutory and Procurement	Legal advice has been received from Trowers and Hamlin LLP in relation to the creation of a LHC and the main legal considerations are set out in the main body of the report. Localism Act General Power of Competence provides the legislative framework for the Council to create a LHA as set out in the main body of the report.
Crime and Disorder	None identified at this stage.
Environment and Sustainability	Modelling has taken into consideration energy efficiency requirements.
Health and Wellbeing	None identified at this stage.
Risk Management and Health and Safety	The business plan includes a risk plan for the LHC and initial development programme.
Equality and Diversity	None identified at this stage.

Privacy and Data Protection	None identified at this stage.
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## **7 Appendices**

7.1 None

## **8 Background Papers**

Cabinet Report March 2020 on Affordable Housing -  
<http://10.201.65.162/documents/s14201/Cabinet%20180320%20-%20Affordable%20Housing.pdf>

Cabinet Report November 2020 on Local Housing Company –  
<http://10.201.65.162/documents/s15672/Cabinet%20Report%20LHC%201020%20DRAFT%20for%20IC.pdf>

# Agenda Item 4

## Appendix iv

### Call in Form

*NB: Please note that urgent decisions are not subject to Call-in. (See paragraph 16 of O&S procedure rule 15)*

<b>Decision/Minute Number:212 Housing allocations policy</b>	<b>Deadline Date for Call-in: 14/11/20</b>
<b>Cabinet: 28<sup>th</sup> October 2020</b>	
<b>Reason for making the Call-in</b> (*please continue on a separate sheet as appropriate)	
<p>I wish to call in the Housing Allocation Policy as I am concerned, as are some other members, that the proposals will increase the pressures on the housing team and also that the waiting list will increase creating additional pressures on the council.</p> <p>There are concerns that aspects of the consultation had been disregarded and that the cabinet did not fully consider the paper and all of the evidence and information possible.</p> <p>From a budgetary perspective the decision could add significant pressure on the council both in officer resources needed to assess new claims against the new relaxed criteria but also result in more people needing housing which in the long term will push up the council's costs.</p> <p>For the benefit of the council and residents I would like to ensure that this decision has been made based on a fully open and transparent assessment with consideration to the impact this will have on the community and council that this policy change introduces. I feel the wider implications need further consideration, clarification of the guidance that this decision was based on and the requirements of this policy change which are unclear and could have a bearing on the decision.</p>	
<b>Please also tick the boxes as appropriate:</b>	
Decision outside Policy and Budgetary Framework	yes
Inadequate consultation relating to the decision	yes
Viable alternative not considered	
Relevant information not considered	yes
Justification for the decision open to challenge on the basis of the evidence considered	
<b>The Alternative proposal is</b> (*please continue on a separate sheet as appropriate).	
Consider not implementing the changes.	

<b>Called-in by:</b>			
Chairman of the Scrutiny Committee			yes
Vice-Chairman of the Scrutiny Committee, in the absence of the Chairman			
Five non-Cabinet Members			
Name	Signature	Date	
<b>Checklist</b>			Yes/No
Does the reason and alternative proposal cover any of the types of decisions (1-10) in the Constitution Overview and Scrutiny Procedure Rules?			*Specify which exemption
Is the call-in form completed correctly?			
Has the call in form been received within the specified time?			
The reason for the call in is unclear or does not relate to the decision specified on the call-in form			
The reason for the call in is a question the answer to which can be found in the report			
Is the request frivolous or defamatory?			
<b>Authorisation</b>			
Discussed with Policy and Performance Officer/ Democratic Services			
Monitoring Officer is justification for call-in valid?			

<p>Please return hard copy to:</p> <p>Democratic Services, Swale House, East Street, Sittingbourne, ME10 3HT</p>	<p>For office use only</p> <p>Form received by:</p> <p>Date and time:</p>
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<b>Cabinet Meeting</b>	
<b>Meeting Date</b>	28 <sup>th</sup> October 2020
<b>Report Title</b>	Adoption of Housing Allocations Policy 2020
<b>Cabinet Member</b>	Cllr Ben Martin, Cabinet Member for Housing
<b>SMT Lead</b>	Charlotte Hudson, Head of Housing, Economy and Community Services
<b>Head of Service</b>	Charlotte Hudson, Head of Housing, Economy and Community Services
<b>Lead Officer</b>	Roxanne Sheppard / Zoe Callaway
<b>Key Decision</b>	Yes/No
<b>Classification</b>	<b>Open</b>
<b>Recommendations</b>	1. To adopt the Housing Allocations Policy 2020.

## 1 Purpose of Report and Executive Summary

- 1.1 This report provides Cabinet with a summary of the review of the Housing Allocations Policy and the responses from the 8-week consultation period.

## 2 Background

- 2.1 In Swale the demand for social housing is considerably greater than the number of homes available and this is only likely to increase due to the economic and social impact of the coronavirus pandemic. The Policy sets out how social housing within the borough is allocated and aims to:
- Provide a fair and transparent system to prioritise the allocation of social homes in Swale;
  - Help households in most housing need to access affordable homes;
  - Make efficient use of social homes available in the borough; and
  - Promote choice and the development of sustainable mixed communities.
- 2.2 Swale Borough Council does not currently own or manage any affordable rental homes but does work in close partnership with all housing associations that are integral to the delivery of this policy. All available housing association homes in Swale are advertised through Kent Home Choice.
- 2.3 The allocations policy cannot cover every eventuality and in cases where there are unique needs the Housing Options Manager has discretionary power to award priority, approve additional priority or agree to offers outside of choice based lettings. The current policy was adopted in 2013 and needs to be updated to reflect updates to legislation, statutory guidance and local need.

## CABINET REPORT – 28.10.20

2.4 To provide context to the discussion key information from 2018/19 financial year on applications and allocations is provided below, there were 1,427 applicants in housing need on the housing register at 1<sup>st</sup> April 2019, of which

- Band A 195;
- Band B 217;
- Band C 994; and
- Band D 21

2.5 For 1 April 2018 to 31 March 2019 we received 1,637 applications to the housing register. Of these:

- 788 qualified and had a housing need so were included;
- 494 either did not qualify or did not have a housing need; and
- 355 did not supply the information requested to be able to assess so were removed.

2.6 The table below summarises the properties let through the housing register during 2018/19 in relation to banding, bedroom need and location.

**Table 1 – Summary of Lets 2018/19**

	1 bed			2 bed			3 bed			4 bed			
	Sitt	Sheer	Fav	Sitt	Sheer	Fav	Sitt	Sheer	Fav	Sitt	Sheer	Fav	
Band A	31	14	7	12	12	4	11	6	3	1	0	0	101
Band B	25	11	8	36	12	12	18	15	4	2	0	1	144
Band C	28	15	10	11	5	1	7	1	4	2	0	1	85
Band D	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>84</b>	<b>40</b>	<b>25</b>	<b>59</b>	<b>29</b>	<b>17</b>	<b>36</b>	<b>22</b>	<b>11</b>	<b>5</b>	<b>0</b>	<b>2</b>	
		<b>149</b>			<b>105</b>			<b>69</b>			<b>7</b>		<b>330</b>

2.7 A review has been carried out at officer level, taking into consideration legal requirements and case law precedents that will inform the new policy. In addition to these amendments there are a range of discretionary criteria which are proposed will be set as the local policy. The current principles of the qualification criteria to join Swale's Housing Register are:

- Residence;
- affordability;
- fraud; and
- rent arrears.

2.8 A public consultation was held during August and September 2020 and 93 responses were received. A summary of the consultation responses is shown in Appendix I, overall, the consensus was supportive for most of the proposed changes. Reducing the residency criteria from 4 to 2 years was the main area where it didn't receive support from the majority of the consultation response with 47.3% in support of reducing the residency in the borough. Currently the 4 in 5-year residency criteria does not align with national

guidance and does not recognise the true need in the borough. It is therefore recommended that reducing the residency criteria to 2 in 5 years should be within the new adopted policy.

2.8 The table below provides a summary of the review and proposed changes on qualification criteria within the Policy.

**Table 2 – Review of qualification criteria**

<b>Category</b>	<b>Criteria</b>	<b>Change</b>
Fraud	Applicants who have been cautioned or convicted of housing or welfare benefits related fraud where that conviction is unspent under the Rehabilitation of Offenders Act 1974. Any person may re-apply once this conviction is spent.	No change implemented
Rent arrears	Applicants who owe arrears of rent or other accommodation charges to the Council, or any social or private landlord, in respect of the current tenancy or former accommodation, unless an appropriate agreement has been reached and sustained for a reasonable period. In assessing the application for registration, the Council will take into account the size of the debt, the means to pay and the degree of need.	No change implemented
Affordability	Applicants that have gross income or assets above a certain level will not qualify: <ul style="list-style-type: none"> <li><input type="checkbox"/> The gross income level is likely to be set at more than £35,000 per annum per household.</li> <li><input type="checkbox"/> The asset level is set at more than £50,000.</li> </ul>	Change implemented Propose a taper based on bedroom need e.g. 1 bedroom need £30,000, 2 bedroom need £40,000, 3 bedroom need £50,000, 4 bedroom need plus £60,000 <i>These figures are approximates using market rents being 25% gross income</i>
Residence	Households who have not lived within the Swale boundaries for 4 out of the last 5 years prior to the application being made.	Change implemented Proposal to reduce to 2 years residence in-line with recommended guidance.

## CABINET REPORT – 28.10.20

	Residency in Swale must be by the applicant's own choice.	
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2.9 There are circumstances when there are exemptions to the residency requirements and instances in extending the local connection definition, these have been reviewed in the table below.

**Table 3 – Residency and Local Connection Criteria**

<b>Category</b>	<b>Criteria</b>	<b>Change</b>
Armed forces	We already have this exemption	No change recommended, legal requirement
Homeless accepted full duty	Applicants who are owed a homeless duty by Swale Borough Council to enable the authority to discharge its duty to rehouse them.	Change implemented. Adopt as case law requirement
Right to move	Certain social housing tenants who need to move from another local authority district in England to Swale to avoid hardship who work in Swale or have a genuine offer of work in Swale. An assessment of work and hardship will be made in line with the statutory guidance.	Change implemented Adopt as statutory guidance requirement
Refuge accommodation	Applicants who have fled from another local authority due to domestic abuse and are currently placed in refuge in Swale.	Change implemented Adopt as statutory guidance requirement
Employment in Swale	Applicants who are in permanent employment in Swale. Employment is defined as paid employment for 16 hours or more per week for a period of [6 months/1 year]. The actual place of work must be within the Borough not just the head or regional office.	Change implemented. Adopt as it promotes economic activity in the Borough
Family support	You need to move to the borough to give or receive essential support from a close family member and it can be demonstrated that there is a genuine need to give or receive	Change not implemented. Do not adopt. This is currently dealt with through exemptional circumstances and given the level of need already in the Borough would increase the

	support.	burden.
Rural Housing Exemption Sites	A small number of properties in rural areas have a specified local connection criteria due to planning conditions. These properties will be advertised through Kent Homechoice and the advert will state what local connection is required. Applicants who meet the local connection will be considered for the rural site only.	Change implemented Adopt in order to allow developments on rural exemption sites  To also include Community Land Trusts

2.10 In addition to reviewing the criteria for qualifying for the Housing Register, the banding criteria has also formed part of the review. The table below summarises the areas where changes are recommended.

**Table 4 – Banding review**

<b>Criteria</b>	<b>Banding</b>	<b>Proposal</b>
Homeless households owed a full homeless duty by Swale Borough Council	Currently Band C	Change Implemented. Increase to Band B to reduce pressures on temporary accommodation
Applicants who require substantial adaptations through a Disabled Facilities Grant	Not currently a banding reason	Change Implemented Included in Band B - Would promote use of disabled facilities grant to adapt suitable social housing creating suitable homes for the future
Disabled children who have been awarded an additional bedroom but that bedroom is not available in the current property	Not currently a banding reason	Change implemented Included in Band B - This would reflect the additional needs of a disabled child and the minor overcrowding
Meets requirement for Rural exemption site but may not meet other qualification or housing need	Not currently a banding reason	Change implemented New Band E introduced for this group who would only be considered for rural exception sites

### **3 Proposals**

3.1 To adopt the Housing Allocations Policy 2020.

## 4 Alternative Options

- 4.1 That the policy is not adopted and updated, this is not recommended as the current policy is outdated and needs to take into consideration reviewed legislation, guidance and respond to the current needs of residents.

## 5 Consultation Undertaken or Proposed

- 5.1 The Policy has been reviewed by PDRC and an 8-week consultation was carried out. Registered providers were sent the consultation directly as a statutory consultee.

## 6 Implications

Issue	Implications
Corporate Plan	Having a suitable and robust Housing Allocations Policy in the borough supports priorities within the corporate plan.
Financial, Resource and Property	None identified at this stage.
Legal, Statutory and Procurement	Statutory guidance and case law has been considered as part of the review process.
Crime and Disorder	None identified at this stage.
Environment and Sustainability	None identified at this stage.
Health and Wellbeing	Banding criteria relating to health is discussed in the main body of the report.
Risk Management and Health and Safety	None identified at this stage.
Equality and Diversity	A Community Impact Assessment has been prepared and throughout the policy equality and diversity of applicants is considered.
Privacy and Data Protection	None identified at this stage.

## 7 Appendices

- 7.1 Appendix I – Consultation Response Summary  
Appendix II - Housing Allocations Policy 2020

**8 Background Papers**

None

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## Swale Borough Council Allocations Policy Consultation

Swale Borough Council has completed the consultation around the changes we are proposing to make to our Allocations Policy.

The consultation took place over 8 weeks from 6 August until 2 October 2020.

The online survey had 93 responses and 46 comments. Responses overall were positive and in favour of the changes to qualification criteria and banding reasons.

### Responses

Answer Choices	Responses	
A member of the public	89.25%	83
A statutory agency	0.00%	0
A registered provider (housing association)	3.23%	3
A Councillor (of Local Authority or Parish)	2.15%	2
A voluntary or charitable organisation	3.23%	3
Other	2.15%	2

### Questions relating to changes in Qualification

Question 2 – Residency requirement length reduction

	Responses	
Agreed	47.31%	44
Disagreed	52.69%	49

This question resulted in a split with overall in favour of keeping 4 years.

Question 3 – Increase of income threshold to reflect current market rents

	Responses	
Agreed	76.09%	70
Disagreed	23.91%	22

This proposal was supported by the majority of respondents.

Question 4 – Proposed taper amounts

	Responses	
Agreed	76.09%	70
Disagreed	23.91%	22

This proposal was supported by the majority of respondents.

Question 5 – To take account of employment in the Borough where residence is not meet

	Responses	
Agreed	56.99%	53
Disagreed	43.01%	40

This question resulted in a split with overall in favour of accepting employment.

### **Questions relating to changes in Banding**

Question 6 – Increase banding for households who are Swale Full Duty homeless cases

	Responses	
Agreed	79.57%	74
Disagreed	20.43%	19

This proposal was supported by the majority of respondents.

Question 7 – Increase banding for households who require works through Disabled Facilities Grant

	Responses	
Agreed	94.62%	88
Disagreed	5.38%	5

This proposal was strongly supported by the majority of respondents.

Question 8 – Increase banding for disabled children who require their own bedroom

	Responses	
Agreed	90.32%	84
Disagreed	9.68%	9

This proposal was strongly supported by the majority of respondents.

Question 9 – Rural housing band

	Responses	
Agreed	68.82%	64
Disagreed	31.18%	29

This proposal was supported by the majority of respondents.

## Question 10 – Comments

<b>Respondent Comment</b>	<b>Response</b>
Allocation of an extra bedroom for families where one or more of the adult applicants have children from a previous relationship that require a room for visitation or over night stays.	Bedroom calculation is already set out in policy. The policy does not include provision for an extra bedroom and this is not being considered as has not been consulted on.
We think the rural exception special priority banding should also apply to homes developed by Community Land Trust s.	Wording will be revised to include Community Land Trust's who will be registered and need to advertise their properties.
Residency in the Swale district should be increased to a minimum of 5 years to be considered for council housing.	Comment disagreeing with residency proposal.
Only to say as a former Swale support worker I'm glad to see these proposed changes as they will be much more helpful.	Comment supporting.
If possible couldn't the council have all new housing in Swale being built have a percentage of these houses for social housing as part of the permission of the new builds (ie for every 100 new homes built 10 have to be for social housing)	This is dealt with through the Council's Local Plan and cannot be considered within the Allocation's Policy.
Review long term tenants to see if they can and want to be downsized.	Policy awards Band A for existing social tenants in Swale who are under occupying.
Less waiting time for someone in band c minor overcrowding with opposite sex children sharing into their teenage years and want their own rooms for privacy especially girls of puberty age	The banding policy has to prioritise those in greatest need and we cannot allocate to lower bands due to waiting time.
Include mental disability in band A not just physical ones	All medical bands already include both physical and mental health.
My concern is that priority lies with single mothers without employment but not for medical reasons. The majority of couples who find themselves in this position are hard working and take our mortgages and exist as best they can. Single mothers without work, but have no medical reason, should not be allowed to be placed into brand new accommodation on social housing policies in new build estates.	There is no priority for single parents. Households with children are assessed the same whether single or a couple.
Consider Borden for housing and stop flooding Sheppey with over allocation and total lack of improvements in infrastructure and services.	This cannot be considered in the Allocation's Policy.
If someone has been on the register for three years, to move up a band or be offered to join other council areas nearby	The banding policy has to prioritise those in greatest need. We are not proposing to increase band based on waiting time and this is not being considered as has not been consulted on.
I would like to see more accommodation for homeless people ie a shelter	This is dealt with through the Council's Homeless Strategy and cannot be considered within the Allocation's Policy.
For those that have been on the register for a long period of time to be moved up or have some type of priority where bidding is concerned. It's just ridiculous for a family to be bidding for 3 years in band c and not getting anywhere.	The banding policy has to prioritise those in greatest need. We are not proposing to increase band based on waiting time and this is not being considered as has not been consulted on.
Applicants with unsafe home due to not having provision for adaptations to be band A	Households requiring a fully wheelchair adapted property are Band A.
I am shocked at the enormous gap between number of housing applications and housing units available to let between 2018/19. In Faversham alone, I am concerned at the recent figure of over 200 people 'sofasurfing', and therefore the number of vulnerable people living without secure shelter and protection. I am further concerned at recent planning applications for luxury development housing (e.g. in Conyer) which, in the context of present affordable housing needs, is beyond comprehension.	Comment regarding lack of affordable housing.
Just to reinforce support for Band E rural exception site	Comment supporting

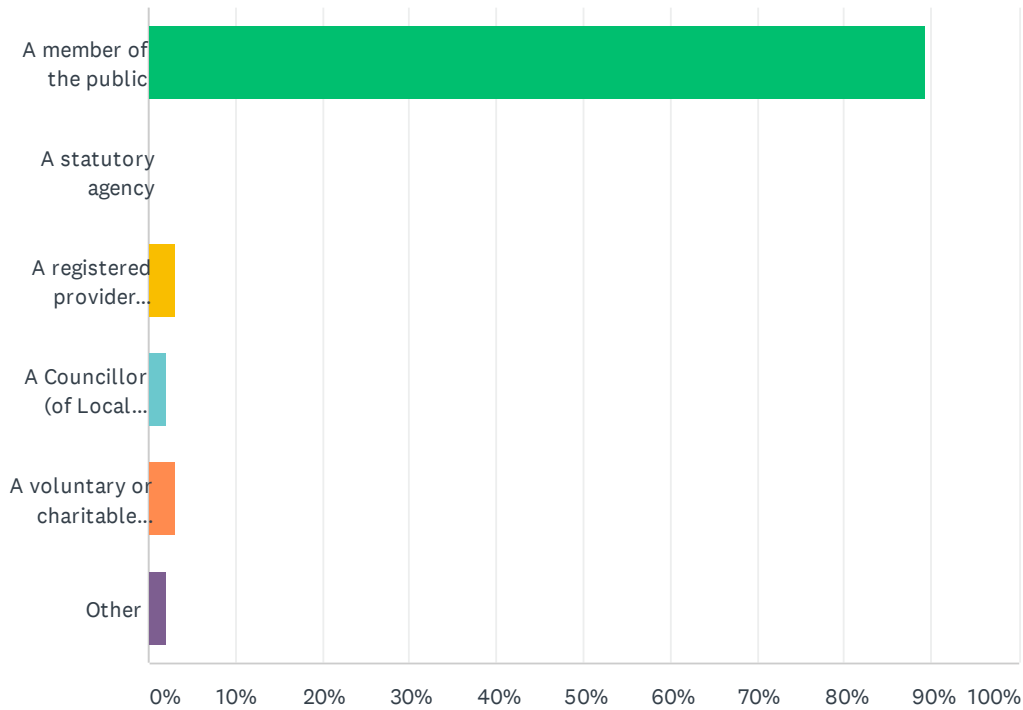
properties. This will ensure homes developed on these sites are available to applicants with a local connection, fulfilling the purpose of the schemes in Swale's rural areas.	
I agree that people on band c because they have children who cannot share a bedroom due to medical reasons should be moved to band b	Comment supporting
I agree that should change banding for households with children with disabilities needing an extra bedroom	Comment supporting
Number of people in relation to bedroom size should be taken into account no matter sex of children. A more thorough assessment rather than a general banding. Maybe a home visit to make assessment.	Bedroom need and overcrowding calculation already set out in Allocation's Policy. We cannot consider changing as this has not been consulted on.
Make it easier for someone who needs a house to get one, or lower the rent prices so people can afford, also if you was to buy a house you have to get into debt before purchase House because of the deposit you need	This would be for National Government to set primary legislation.
On a personal matter, my Granddaughter is aged 25 and has lived in Sittingbourne since birth. She is single and has a 7 year old son, and is expecting a baby in October 2020. At present, as she has been told she cannot be placed on the waiting list for a "council house", she is living in one room in her Mother's house. Additionally, she has an acrimonious relationship with her Mother's live in partner, and is desperate for a home of her own. She is also in full employment, currently in Maidstone. Is there any way the proposals can be amended to give people like her consideration?	An applicant must have a housing need defined in the Allocation's Policy. An applicant living in a family home who had their own bedroom would not be overcrowded but would be considered if they had another housing need.
Changing the length of residency would be of particular help to Supported Living as many who come to us with a high level need work hard to reduce this level of need and would not clarify for exceptional circumstances if they came from out of area.	Comment supporting
Full housing benefit should only be paid for a limited time to those able to work, to give them incentive to get a job. Those in social housing need to be monitored and moved on if causing disruption and not allowed further housing if they do not respect the house and area.	Assistance with housing costs is determined by national policy. The registered providers are responsible for managing their tenants.
Look after your residents of swale already before people from outside of swale	Comment disagreeing with residency proposal.
Island housing for island people-and agreements with any other housing associations or councils should NOT be allowed	Comment regarding housing development.
The wording under Part 3, refusals, could be misinterpreted. It states that "Applicants with a full accepted homeless duty by Swale Borough Council will be entitled to refuse one suitable offer of accommodation..." which could be taken to mean they are able to refuse one offer but then still receive another, where as I assume you intend for that 1 offer to be a final offer.	Agree this will be reworded.
You lot have no idea about people if you think that it is ok to do what you propose. There is already 1000,a waiting for housing and by doing what you proposed you will double the amount of people waiting for housing. With no housing for them to go into . What you need to do first is build more social housing. Get the waiting list down. Instead of keep on let's developments being build with so called affordable housing for people to buy. No one is gonna be buying in next few years. Loads of people have or will lose there jobs because of Covid. What is needed is some common sense here about what is going to happen. Look forward look ahead but don't bring in these new changes when social housing can't cope already with how many people need it. Just common sense really.	The proposed Allocation's Policy is to reflect the housing need of households already living in the Borough. Trying to artificially reduce the number of households waiting does not resolve the problem or demonstrate need when new housing is proposed.
This new policy is much fairer and will ensure homes go to	Comment supporting

those most in need rather than those who have been in Swale longest	
How is it that Swale [affordable housing] is advertised in the known London SE postal boroughs Plumstead on through to Walworth with no paid employment within Swale. Resulting on a burden on council tax, housing benefit & other central government qualifying payments?	Only applicants on Swale's housing register can apply for affordable rented housing in Swale. Properties are advertised online so although someone who did a search could see the properties they could not be considered for them.
I am a band c have been for three years I need more space I have a child with autism and adhd and three other children why are people getting b band for having same amount of children with same as me two kids with special needs and yet I am on a c band and waiting time just the same as them and why is it I am minor over crowed but yet sharing a bedroom with one of my daughters	Comment about individual application.
The impact that family may have on residents already living in the immediate neighbourhood. As I have been subjected to a hideous situation for more than 8 years due to social housing neighbours, and have had little support from local council or housing agencies to fix problems that social housing occupants have caused. Also, can you change the criteria that social housing occupants must adhere to, once in their new allocated home, so that repeats of our current situation so not occur again.	Comment about tenant conduct once housed which will be dealt with by the registered provider.
Will allowing those wishing to move on from supported accommodation to be in Band B mean that some will use that route to gain access to social housing?	Move on from supported accommodation is an existing band reason and no change has been proposed in the revised policy.
I believe housing should go to local people first then who have a family connections and then who is employed in swale and who live out side	Comment regarding residence.
I would propose those who are awarded band A already living in social housing should be re homed by their housing association In my opinion a landlord should have a duty of care in that respect to already existing tenants.	Properties are advertised so that a under occupying tenant can choice from any landlord. The property they vacate will then become available for another nomination.
I propose that families that need more bedrooms due to overcrowding because of children be in band B.	Households lacking two or more bedrooms are Band B.
Those that have 2 children or more in a one bedroom property should be allocated to band B as it can cause families stress like me self who lives in a upstairs 1 bedroom flat currently with 4 people in a one bedroom, 2 adults and 2 children.	The overcrowding calculation is defined in the Allocation's Policy. Lacking one bedroom will be minor overcrowding.
Why not give me an emergency band A of 2 years a property rather than band b and band c clients?	Some applicant's in Band A are waiting for fully adapted properties. If a property they have bid for cannot be adapted to meet their needs they will be bypassed property will be offered to the next applicant on the shortlist.
Should not consider people who have not lived in swale area for short time otherwise they can move here to jump the queue	Comment disagreeing with residency proposal.
Since in Swale the demand for social housing is considerably greater than the number of homes available, I'm not sure what the objective is in increasing the number of people on the waiting list when there isn't enough housing for those already on it.	The proposed Allocation's Policy is to reflect the housing need of households already living in the Borough. Trying to artificially reduce the number of households waiting does not resolve the problem or demonstrate need when new housing is proposed.
Taking into consideration a band b for medical conditions not qualifying in band A.	We are not proposing to include a new medical band reason. This is not being considered as has not been consulted on.
Current residents who have medical need should not be penalised for earning above the set income thresholds. Many will not be in a position to buy or privately rent but will want to maintain their independence by working for as long as possible	We are proposing to increase the income taper.

<p>You should consider people that have extensive health problems that need to move closer to family for help</p>	<p>We are not proposing to include family connection at this time. This is not being considered as has not been consulted on.</p>
<p>Would like to see the evidence and data for the proposed changes. Re homeless families with primary school children should be housed so the children can be within the town or village of their existing school</p>	<p>The review has been based on updated legislation and Government guidance. Households are able to bid through Choice Based Lettings so can choice to bid in a specific area rather than the whole Borough if they want.</p>
<p>Please think more of people that need the housing in the local area, I know of people that have been waiting for years on the council list and not been able to get anywhere even with children with disabilities. Please keep the 5 years in local area.</p>	<p>Comment disagreeing with residency proposal.</p>
<p>I am on the housing list and have a band C. I have mental health issues and an 8 year old son. I have a neighbour who is smoking weed regularly ( we live in a small block of flats). This smell makes my health worse and gives me severe headaches. His landlord is aware and I have involved the police now. I have told housing this and still I can't get any further help to move even though this is effecting my health and my son. I was told I will have to wait at least 4 years before I have a chance of getting a property. I have tried to move privately but because I am on benefits due to my health no other landlord will help me despite the fact I can get a reference from my current landlord and have never been late on paying my rent. Some help for people in my situation would be a great idea.</p>	<p>Comment about individual application.</p>
<p>I think that more people should be considered for housing so many people who are on a low income and cannot afford private rent are not even looked into as this has been the way for many years also many people from outside our area are considered which is wrong. I'm sure nothing will be done to help people who really need housing and not ones that cheat the system which also seems to be the case.</p>	<p>Our Allocation's Policy has a residency requirement already.</p>
<p>10 responses were No to whether there where any comments or suggestions and 34 skipped the question.</p>	

# Q1 I am responding as

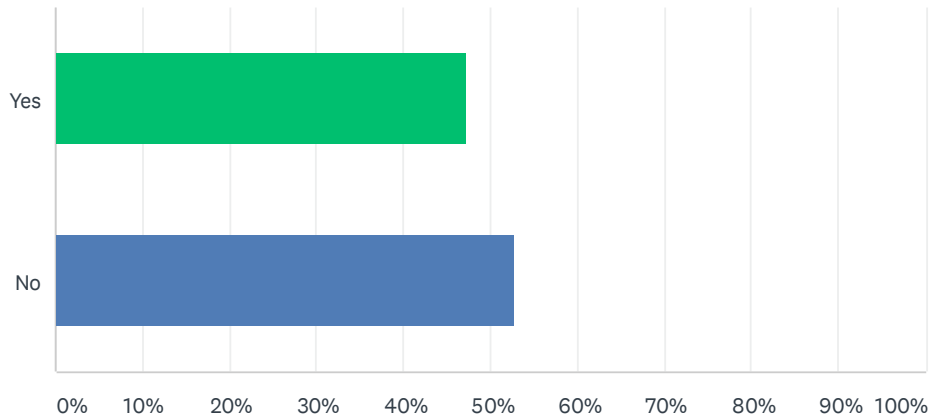
Answered: 93 Skipped: 0



ANSWER CHOICES	RESPONSES	
A member of the public	89.25%	83
A statutory agency	0.00%	0
A registered provider (housing association)	3.23%	3
A Councillor (of Local Authority or Parish)	2.15%	2
A voluntary or charitable organisation	3.23%	3
Other	2.15%	2
<b>TOTAL</b>		<b>93</b>

## Q2 We propose to reduce the length of residence requirement from 4 out of the last 5 years to 2 years residence in Swale. Do you agree with this proposal?

Answered: 93 Skipped: 0

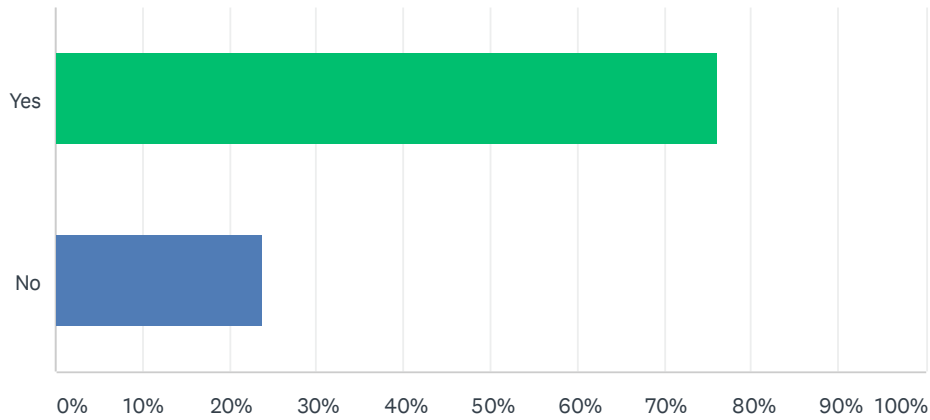


ANSWER CHOICES	RESPONSES	
Yes	47.31%	44
No	52.69%	49
TOTAL		93



**Q3 We propose to change the income threshold from the current limit of £35,000 for all households to a taper based on bedroom need. Do you agree with this proposal?**

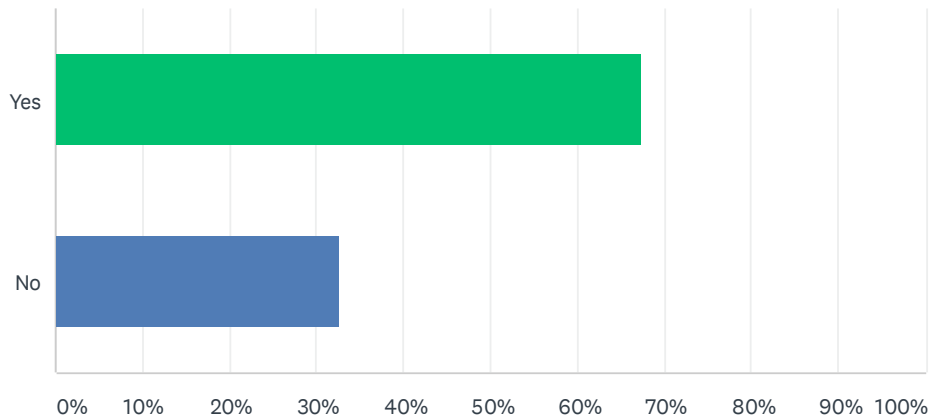
Answered: 92 Skipped: 1



ANSWER CHOICES	RESPONSES	
Yes	76.09%	70
No	23.91%	22
TOTAL		92

Q4 If the change to an income taper is agreed the following thresholds are proposed: 1 bedroom need £30,000 2 bedroom need £40,000 3 bedroom need £50,000 4 bedroom need and above £60,000 Do you agree with these thresholds?

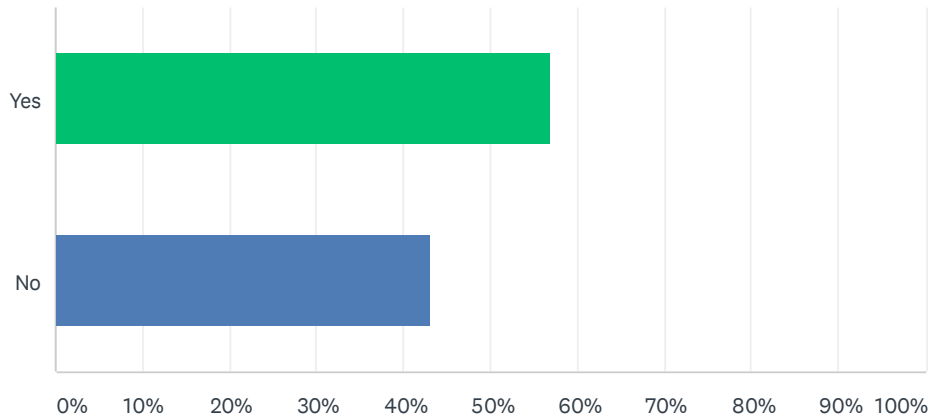
Answered: 92 Skipped: 1



ANSWER CHOICES	RESPONSES	
Yes	67.39%	62
No	32.61%	30
TOTAL		92

### Q5 We propose to allow households who do not meet the residence requirement to qualify if they are employed in Swale. Do you agree with this proposal?

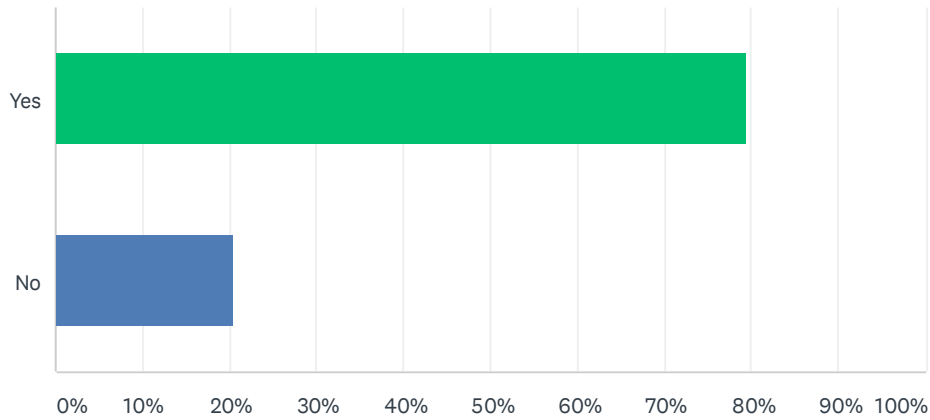
Answered: 93 Skipped: 0



ANSWER CHOICES	RESPONSES	
Yes	56.99%	53
No	43.01%	40
TOTAL		93

**Q6 We propose to increase the banding of homeless households living in temporary accommodation and owed a full housing duty by Swale Borough Council from Band C to Band B. Do you agree with this proposal?**

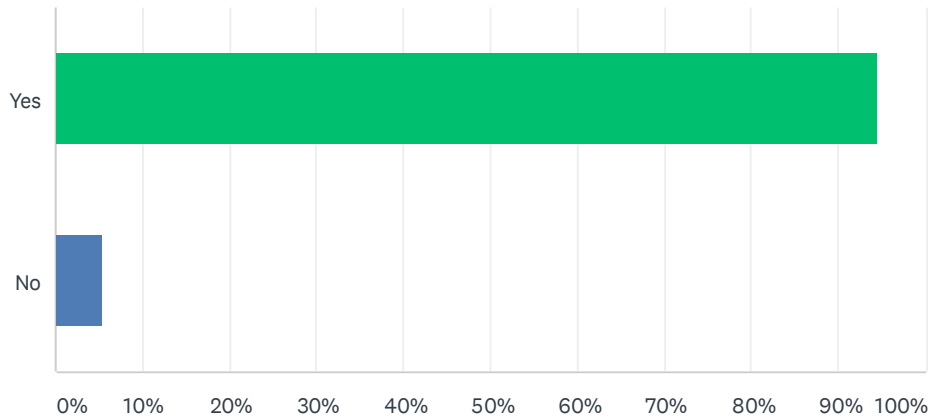
Answered: 93 Skipped: 0



ANSWER CHOICES	RESPONSES	
Yes	79.57%	74
No	20.43%	19
TOTAL		93

Q7 We propose to create a new Band B reason for households who require substantial works through a Disabled Facilities Grant that cannot be carried out in their current home. Do you agree with this proposal?

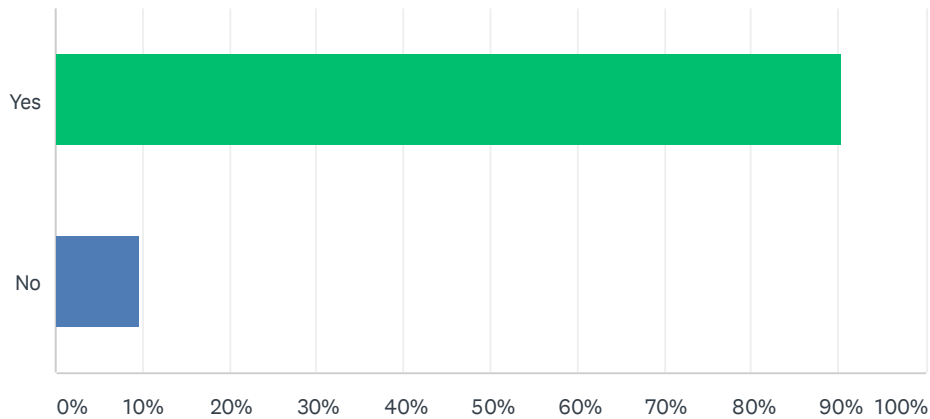
Answered: 93 Skipped: 0



ANSWER CHOICES	RESPONSES	
Yes	94.62%	88
No	5.38%	5
TOTAL		93

**Q8 We propose to create a new Band B reason for households with children who require their own bedroom on medical grounds but the current household does not have a bedroom available. Do you agree with this proposal?**

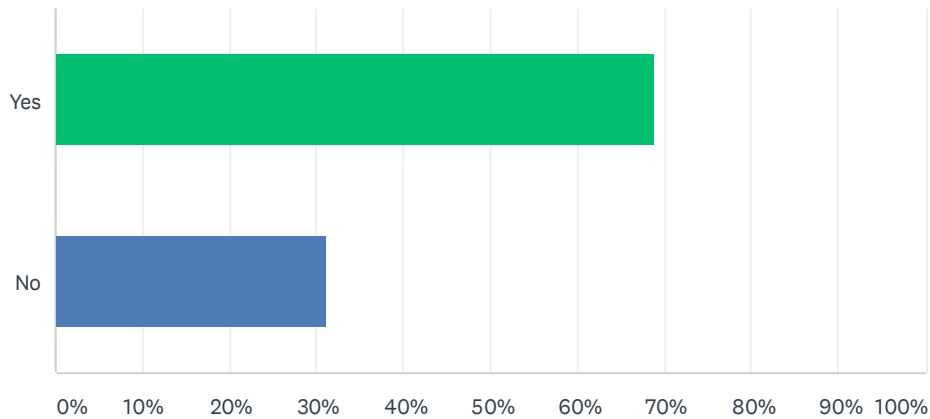
Answered: 93 Skipped: 0



ANSWER CHOICES	RESPONSES	
Yes	90.32%	84
No	9.68%	9
TOTAL		93

**Q9 We propose to create a new Band E for households who do not meet the qualification and/or housing need of the Allocations Policy but do meet the requirements for a property on a rural exception site. Do you agree with this proposal?**

Answered: 93 Skipped: 0



ANSWER CHOICES	RESPONSES	
Yes	68.82%	64
No	31.18%	29
TOTAL		93

**Q10 Do you have any other comments or suggestions which you would like us to consider?**

Answered: 59 Skipped: 34



<b>Scrutiny Meeting</b>	
<b>Meeting Date</b>	24 <sup>th</sup> November 2020
<b>Report Title</b>	Housing Allocations Policy – Scrutiny Call in
<b>Cabinet Member</b>	Cllr Ben Martin, Cabinet Member for Housing
<b>SMT Lead</b>	Charlotte Hudson, Head of Housing, Economy and Community Services
<b>Head of Service</b>	Charlotte Hudson, Head of Housing, Economy and Community Services
<b>Lead Officer</b>	Roxanne Sheppard, Housing Options Manager and Zoe Callaway Policy and Performance Officer.
<b>Key Decision</b>	Yes
<b>Classification</b>	<b>Open / Restricted Appendix.</b>
<b>Recommendations</b>	1. Scrutiny note the additional information provided in this report and the Cabinet report of 28 <sup>th</sup> October 2020.

## **1 Purpose of Report and Executive Summary**

- 1.1 This report provides Scrutiny with an initial response to the reasons for call-in in relation to the Housing Allocations Policy and resolutions made by Cabinet on 28th October 2020.

## **2 Background**

- 2.1 Cabinet resolved at the meeting of 28<sup>th</sup> October to adopt a revised policy on the allocation of affordable housing in Swale. The full details of the Cabinet decision and changes recommended for adoption can be found within the Cabinet report.

- 2.2 A call-in has been made by the Chair of the Scrutiny Committee for the following reasons:

- Increased pressure on the team due to increased applications and additional budget pressure that this may have.
- Increased waiting list on register and therefore creating increased pressure on the Council.
- Increased housing required, which will impact upon costs to the Council.
- Consultation responses have been disregarded and that the Cabinet did not fully consider the paper and all the evidence and information available.

- 2.3 The housing register team are resourced to deal with all applications to the housing register. The 2013 policy which introduced both qualification and housing need did not stop ineligible applicants applying. The team consistently receive around 1,700 applications per year both prior to 2013 policy changes and now. We therefore do not envisage an increased workload to the team. The Policy and Performance Officer has made an initial assessment that of the 644 applicants since 1 January 2019 which did not qualify 72 applicants would qualify based upon the revised policy. Additional time is also taken up by the team dealing with those that appeal the decision or make complaints directly or via MP/ Councillor enquiries. Therefore, officer assessment is that staffing resources and budgets will not be impacted by the administration of these policy changes.
- 2.4 The Scrutiny call-in raises concerns regarding the waiting list on the housing register and therefore placing pressure on the Council. Although additional people will be on the register, it will provide a greater choice and housing options to those with a housing need in the borough. We have a choice based lettings process in place and residents on the register can bid on properties that meet their preference and need. 100 new affordable homes were delivered last year and 99 new homes have already been delivered by the end of Q2 this year. As stated in the Cabinet report there is a significant under supply of affordable housing in the borough, but there is currently a pipeline supply of 542 affordable rent properties and the proposals by the Cabinet to directly intervene through the Local Housing Company (LHC) proposals.
- 2.5 The Scrutiny Call-in raises the issue around increase demand for housing, the demand already exists whether people qualify or not, putting harsher eligibility criteria currently reduces the housing options available to those with a housing need. Therefore, forcing them to access housing that is either unaffordable or unsuitable which in turn could place them in situation where they are homeless. This in turn would lead them to present to the Council thus increasing the workload for the housing options team and direct costs for temporary accommodation.
- 2.6 Concerns have also been raised relating to the consultation process and that this hasn't been fully considered. There was one policy change that didn't get overall support from the 93 respondents from the consultation with 44 respondents in favour of the policy change and 49 against. This was in relation to reducing residency to 2 years. The consultation was one element to gain feedback to the process, in addition case law and government guidance was reviewed and a benchmark exercise across Kent was also conducted in 2019. Current government guidance recommends a 2 year criteria and the benchmarking showed that Swale's criteria was the harshest of all Kent authorities. The policy was also considered by Policy Development and Review Committee who also recommended this policy change.

## Proposals

- 3.1 Scrutiny note the additional information provided in this report and the Cabinet report of 28<sup>th</sup> October.

## 4 Alternative Options

- 4.1 N/A

## 5 Consultation Undertaken or Proposed

- 5.1 The Policy has been reviewed by PDRC and an 8-week consultation was carried out. Registered providers were sent the consultation directly as a statutory consultee.

## 6 Implications

Issue	Implications
Corporate Plan	Having a suitable and robust Housing Allocations Policy in the borough supports priorities within the corporate plan.
Financial, Resource and Property	None identified at this stage.
Legal, Statutory and Procurement	Statutory guidance and case law has been considered as part of the review process.
Crime and Disorder	None identified at this stage.
Environment and Sustainability	None identified at this stage.
Health and Wellbeing	Banding criteria relating to health is discussed in the main body of the report.
Risk Management and Health and Safety	None identified at this stage.
Equality and Diversity	A Community Impact Assessment has been prepared and throughout the policy equality and diversity of applicants is considered.
Privacy and Data Protection	None identified at this stage.

## 7 Appendices

- 7.1 None

## **8 Background Papers**

PDRC Minutes -

<http://10.201.65.162/ieListDocuments.aspx?CId=127&MId=2215&Ver=4>

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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