

Southend-on-Sea Borough Council

Corporate Director of Adult & Community Services

to

Community Services and Culture Scrutiny Committee

on

29th January 2013

Agenda
Item
No.

13

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Revised Draft Allocations Policy

1. Purpose of Report

- 1.1 To outline proposed amendments to the way that social housing is allocated in Southend in response to changing local circumstances, wider strategic housing objectives and new powers and duties included in the Localism Act (2011).

2. Recommendation

- 2.1 The Committee's views are sought on the Revised Draft Allocations Policy.
- 2.2 To endorse the Revised Draft Allocations policy for consultation with local social housing landlords and key stakeholders.

3. Background

The Draft Allocations Policy 2011

- 3.1 In November 2011 Cabinet reviewed and agreed a report outlining proposed changes to the Council's Allocations Policy (see Background Papers). The report presented the findings of a review and consultation of the existing allocations policy and Choice Based Lettings system in place since 2009. The report proposed the continuation of (CBL) as the method of letting properties as it had proved popular with applicants, staff and landlords.
- 3.2 The report also presented a draft Allocations Policy with the aim of improving the way social housing is let in the Borough based on the following broad principles:
 - The policy shall be open, transparent and easy for clients to understand
 - The policy shall provide suitable incentives for non-working households to return to employment

- The policy shall promote equality of access for all households in housing need
- The policy shall be legally compliant with the Housing Act 1996 particularly with regard to the 'reasonable preference groups' for housing
- The policy shall reflect the Housing Health and Safety Rating system regarding fitness to continue to occupy accommodation and determining levels of overcrowding
- The policy will be flexible enough both to deal with re-housing accepted homeless clients from temporary accommodation and ensuring that homeless prevention is given a high priority for social housing
- The policy will ensure there is a reasonable level of priority for move-on from supported housing
- The policy will reflect housing need in the borough.

3.3 The Draft policy included proposals to:

- Give greater priority to working households,
- Encourage the best use of the local housing stock by Tackling under occupation
- Enable the council to maintain reduced numbers in temporary accommodation by focusing on Homeless prevention
- Increase Local Connection criteria
- Clarifications to improve the application of the policy
- Reflect processes which improve the recycling of adapted properties
- Reduce the time spent managing those in the low priority bands and ensure that an honest message is given to those applicants to consider alternative housing options

Proposed Revisions to the Draft Policy

3.4 Since November 2011 a number of factors have necessitated a re-evaluation of the reforms proposed in the draft policy to ensure that they still remain fit for purpose to meet the above aims taking into account changes in legislation, housing policy and local context.

- 3.5 Following the enactment of the relevant sections of the Localism Act (2011) in August 2012 and publication of new CLG guidance¹ there exists a renewed opportunity to assess more radically how SBC wish to approach the Allocation of social housing to best meet local needs.
- 3.6 In addition the Localism Act and government guidance include new duties which the Council must take into account when framing its Allocations Policy.
- 3.7 Other factors that have been taken into account when formulating the revised draft policy have included the introduction of flexible tenancies for social housing, greater flexibility in discharging statutory homelessness duty into private rented accommodation and the many changes outlined in the Welfare Reform Act (2012)
- 3.8 Consultation has been ongoing with social housing landlords and other statutory partners to propose amendments to the Draft policy in light of the national and local context. These proposals take advantage of new opportunities for reform, ensure compliance with statutory requirements and build on the suggested amendments included within the Draft Allocations Policy 2011.

The Homeseekers Register

- 3.9 A review of the number and make-up of applicants on the register and details of properties let through CBL demonstrates some of the key trends in local housing demand.
- 3.10 The demand for social housing in Southend continues to grow and in the 12 months since the production of the draft Allocations Policy the number of applications on the Homeseekers Register has increased by 839 (17%).
- 3.11 **Table 1** shows the increase in number of applications on the Homeseekers Register from 4,819 to 5,658 in the period.
- 3.12 The figures clearly show that the majority of applicants (57%) are not considered in housing need according to the policy, those in Band D. Furthermore, over the 12 month period there has been little significant change in how the register is constituted by band apart from a reduction in the number of applications in Band A.

Band	A	B	C	D*	Low	Total
No. of applications Dec 11 (% of total)	161 (3%)	433 (9%)	1395 (29%)	2732 (57%)	97 (2%)	4,819
No. of applications Dec 12 (% of total)	96 (1.5%)	484 (9%)	1685 (30%)	3242 (57%)	151 (2.5%)	5,658

*D- No housing need

Table 1. Number of applications on Homeseekers Register

¹ [Allocation of accommodation: guidance for local housing authorities in England, CLG \(2012\)](#)

- 3.13 The number of applications on the register by bedroom need as shown in **Table 2** follows a similar pattern. Whilst there has been a rise in the overall number of applications there has been little or no change in the relative proportion of applications requiring different size properties.
- 3.14 The numbers suggest that there is a higher demand for smaller properties amongst households on the Homeseekers Register.

Required Number of Bedrooms	1	2	3	4	5
Number of applications Dec 11 (% of total)	2823 (59%)	1203 (25%)	654 (14%)	117 (2%)	7 (0.1%)
Number of applications Dec 12 (% of total)	3346 (59%)	1391 (24%)	779 (14%)	131 (2%)	11 (0.2%)

Table 2. No. of applications on Homeseekers Register by bedroom need

- 3.15 However, the higher demand for smaller properties is generally matched by a higher supply of smaller sized properties being let through CBL as shown in **Table 3**.

Number of bedrooms	1	2	3	4	5
Number of properties advertised 12-13 (% of total)	156 (61%)	57 (22%)	39 (15%)	2 (1%)	1 (0.4%)

Table 3. Properties let in 2012/13 by bedroom size

- 3.16 Between January 2012 and January 2013 93% of properties were let to applicants in Bands A-C. In this period the only Band D applicants who successfully applied for properties through CBL were those bidding for sheltered properties.

3.17 **Proposed amendments to the draft Allocations Policy 2011**

- **Close access to the register for certain households who are not assessed as in housing need.**

The Localism Act has given the Council greater freedom to decide who does or does not qualify for entry onto the Homeseekers Register. The revised draft policy includes proposals to only allow entry onto the register for households that:

Have a local connection to Southend or are exempt from meeting the local connection criteria

In order to prioritise the housing needs of people it is proposed that access to the register is restricted to those who have a local connection to Southend Council area as outlined in section 4.4.1 of the policy.

Meet the one of the criteria for a Housing Need Band

In the current Allocations Policy those applications in Bands A-C are considered to be in reasonable preference. As detailed in paragraph 3.16 those applicants not considered in reasonable preference, who are currently in Band D, have extremely limited chances of successfully bidding for a property.

Excluding applicants who are not in a reasonable preference category will help to ensure that the Homeseekers register operates more efficiently and that applicants are not given false expectations about their chances of re-housing.

Restricting entry to the Homeseekers Register to those assessed as in housing need would result in a reduction in the number of applications by up to 60%.

The success of a proportion of Band D bidders in accessing sheltered accommodation as outlined in paragraph 3.16 reflects the lower demand for this type of housing in Southend. In order to reduce the risk of void times increasing for this type of property the new policy provides the Council with the discretion to allow applicants who require low demand housing, but who are not defined in housing need, to qualify for entry on the register. In such circumstances the applicant would be placed in Band D.

It is proposed that a comprehensive campaign to inform those applicants currently in Band D who would no longer qualify for membership of the register of the decision and alternative housing options open to them. These would include home ownership, share ownership and private renting to resolve their housing aspirations is carried out concurrently with the implementation of new policy.

Where applicants have a housing need but no local connection with the borough (as outlined in section 4.4.1 of the draft policy) will be placed in Band D.

Have no record of previous unacceptable behaviour

The draft policy proposes refusing access to the register for persons considered to have a record of previous unacceptable behaviour eg rent arrears, breach of tenancy agreement.

Do not have the means to resolve their own housing situation

Applicants assessed as having sufficient income and/or capital to resolve their own housing need will not qualify for entry onto the register.

Any applicants who are considered not to qualify for entry onto the register have the right to review the Council's decision.

➤ **Increase the threshold for local connection by residence.**

It is proposed that the length of time an applicant must have been resident in the local area to qualify for inclusion on the register has been increased. In order to qualify for entry onto the register applicants must have been resident in 'settled accommodation' in Southend continuously for the past 2 years or resident for 3 years out of the last five.

➤ **Recognise the contribution of those who are/have served in the Armed Forces.**

Following consultation in 2012 the government has published two new regulations which mean that current and former members of the armed forces must be assessed in specific ways when applying for entry onto the Homeseekers Register.

Firstly, certain former members of the armed forces and in some cases their families cannot be refused entry onto the Homeseekers Register due to lack of local connection². The categories of people as outlined in section 4.4.2 will qualify for entry onto the Homeseekers Register regardless of whether they have any connection with Southend.

Secondly, certain former members of the armed forces and their families must be given extra priority when their housing needs are assessed³. Under the revised policy, certain categories of people (as outlined in section 2.4.1) will be given additional priority as their time on the waiting list will be backdated to reflect their length of service in the Armed Forces.

➤ **Reflecting changes brought in by Welfare Reform Act (2011)**

The bedroom requirements criteria (section 5.5) have been updated to reflect changes to benefit entitlements. These minor changes will help to safeguard future residents from being housed in properties that become unaffordable once new regulations on under-occupation come into effect in April 2013.

➤ **Reflecting changes to the way that Statutory Homelessness duty is discharged**

The Council has for many years worked with local landlords and homeless applicants to achieve successful rehousing outcomes for households whose only other option would be a long stay in temporary accommodation. The private rented sector has played an increasingly important role in providing housing options for all groups in Southend in the past decade (the private rented sector has increased as a proportion of total stock from c15% in 2001 to 24% in 2011) as a result of restricted access to home ownership and social housing provision supply not being sufficient to meet demand.

The Localism Act enables Local Authorities greater freedoms to discharge statutory homeless duty into suitable private rented accommodation. The Council's Discharging homelessness duty policy is currently being developed outlining how Southend will take advantage of the new power.

² [Allocation of Housing \(Qualification Criteria for Armed Forces\) \(England\) Regulations 2012.](#)

³ [the Housing Act 1996 \(Additional Preference for Armed Forces\) \(England\) Regulations 2012.](#)

Whilst social housing will continue to be a rehousing route for some statutory homeless households the revised draft policy recognises the role that the private rented sector will play in the future and complements the proposed discharge policy.

➤ **Refined approach to prioritising working and volunteering households**

The draft policy outlined plans to give greater priority to working and volunteering households through the Work Plus scheme that aims to increase the proportion of properties let to working households. The initial *Work Plus* proposals that 20% of properties advertised in a year will be prioritised for working households and 50% in certain neighbourhoods remain unchanged.

There has been general support for the principle of *Work Plus* and prioritising working households was highlighted as best practice in government guidance published in 2012⁴.

Discussions with local social housing landlords are underway to identify geographic areas where the prioritisation of working households is most appropriate.

➤ **Changes to ensure compliance with legislation and government guidance**

The revised draft policy has been updated to reflect new government guidance and best practice. This has resulted in the policy being updated to reflect new processes for applying for entry onto the register and changes to the way that reviews of decisions made according to the policy are carried out.

- 3.18 It is proposed that if the principles above are agreed that the revised draft Allocations Policy is opened for full consultation with a view to gaining agreement for a final consideration by Cabinet by March 2013.

4. Other Options

- 4.1 One option is to leave the Allocations Policy unchanged in its current form. It is considered that this approach is not appropriate as would not take into account legislative changes, government guidance or reforms in other areas of housing policy. It would also not allow the Council to bring the Allocations Policy in line with overall housing strategy especially concerning homelessness, under-occupation and tenure reform at a time when demand for social housing far exceeds supply.

5. Reasons for Recommendation

- 5.1 To fulfil Southend Borough Council's statutory commitments and develop an Allocations Policy which better reflects local strategic housing priorities.

⁴ [Allocation of accommodation: guidance for local housing authorities in England](#)

6. Corporate Implications

6.1 Contribution to Council's Vision and Corporate Priorities

A fair and efficient Allocations Policy helps to contribute towards achievement of the Council's corporate aims

Enabling well planned quality housing and developments that meet the needs of Southend's residents and businesses

6.2 Financial Implications

The implementation of the policy will require significant investment to ensure that the Council's IT systems are up to date. In addition costs will be incurred in training staff in administering the system, communicating the changes and updating associated literature.

There are potential savings to be made in restricting the number of applications on the housing register to those considered in housing need.

6.3 Legal Implications

The Council has a statutory duty to devise, publish and regularly update an Allocations Policy in accordance with the Housing Act (1996) Part VI (as amended by the Homelessness Act 2002) and the Localism Act (2011).

This legislation requires that certain groups are given 'reasonable preference' above other groups within the policy. These groups are:

- People who are homeless
- Those living in unsatisfactory housing, eg, overcrowded or lacking amenities
- Those who need to move on medical grounds
- Those who need to move to a particular locality within the district where it would cause hardship if they were unable to do so
- Those owed a duty under other relevant legislation such as a closing order on a property.

The new policy must give preference to these groups above others. There is no requirement to give an equal weighting to all of the reasonable preference categories.

It is important for Members to note that the new policy will continue to ensure that we will still meet the needs of the vulnerable.

6.4 People Implications

This policy provides a clear outline of the criteria used to determine a person's eligibility, qualification and priority for social housing in Southend.

6.5 Property Implications

None identified.

6.6 Consultation

A consultation exercise with local social housing landlords and other statutory partners was undertaken in Summer 2012 seeking their views on the allocations policy.

The Council has a statutory duty to send the revised draft Allocations Policy to local social housing landlords for comment before adoption.

Consultation with those on the register effected by the changes will be undertaken prior to implementation.

6.7 Equalities and Diversities Implications

The draft Allocations Policy has been developed with regard to the principles of the Equality Act (2010). An Equality Analysis is being completed and will be published prior to adoption of the policy.

6.8 Risk Assessment

The majority of the housing elements within the Localism Act are powers not duties including the choice of whether to offer fixed term tenancies, the homelessness duty discharge and the majority of the Allocations Policy changes (excluding the sections relating to armed services personnel).

The extent to which these powers are exercised or not (the Council has an option to not exercise any of these powers) should be determined through a strategic review of the local housing situation. The way that the powers are exercised will determine in part the future ability of the Council to better meet housing needs, prevent and address homelessness.

The draft Allocations Policy has been developed to be compatible with proposed welfare reforms to ensure that future residents do not face difficulties in meeting rent payments as a result.

6.9 Value for Money

The exclusion from the homeseekers' register of those with no housing need and little chance of re-housing will help to free up resources to concentrate on those who are in greater housing need.

The efficient use of the social housing stock through encouraging under-occupying households into smaller properties helps to release properties which can accommodate larger families

6.10 Community Safety Implications

An effective allocations policy is an essential part of achieving community safety.

6.11 Environmental Impact

Effective allocations of social housing can help to contribute towards achieving high quality local environments.

6.12 Background Papers

Cabinet Paper, November 2011

The Southend-on-Sea Housing Strategy 2011-21, SBC (2011)

A plain English guide to the Localism Act, CLG (2012)

Allocation of accommodation: guidance for local housing authorities in England, CLG (2012)

7 Appendices

Appendix 1 Draft Revised Allocations Policy