

Body: Cabinet

Date: 22 October 2014

Subject: Housing Allocations Policy

Report Of: Senior Head of Community

Ward(s): All Wards

Purpose: This report recommends that Cabinet adopts a revised Housing Allocation Scheme. It explains why Eastbourne Borough Council needs to review and update the existing scheme. The report considers the implications of adopting the proposed scheme and what actions would be required to implement it.

Decision Type: Key Decision

Recommendation: Cabinet is recommended to:

- a) Note and approve for consultation the draft revised Allocations Policy
- b) Delegate authority to the Snr Head of Community in consultation with the Cabinet Portfolio Holder to finalise the scheme following consultation.

Contact: Peter Gaimster, Operational Housing Team Leader.
Telephone: 01323 415329 or internally on extension 5329.
E-mail address: peter.gaimster@eastbourne.gov.uk

1.0 Introduction: Reasons for Reviewing the Allocation Scheme

- 1.1 The Housing Act 1996 requires all local authorities in England to have an allocation scheme, which determines the priorities and the procedure to be followed in allocating housing accommodation. The Localism Act 2011 amends this act and further regulation and guidance has been issued on how priorities are determined, which require Eastbourne Borough Council to review and update its allocation scheme.
- 1.2 At the same time, Eastbourne Borough Council is implementing the Future Model efficiency improvements, which affect the procedure applicants for housing follow as well as the resources used by the Council to administer the allocation scheme.
- 1.3 The legislation requires an allocation scheme to be framed by reference to the local housing strategy and tenancy policy. Eastbourne Borough Council

fulfilled the requirement to refresh these in 2013, setting out its policy on how to make the best use of housing resources to meet the local demand, currently and in the future.

- 1.4 Sections 2 to 8 of this report highlight and explain the proposed changes in the allocation scheme that relate to how priorities are determined and the application procedure. In addition, it should be noted that throughout the allocation scheme, improvements have been made to how information can be presented in a plain English style.

2.0 Eligibility and Qualification

- 2.1 Eligibility (who is able to access housing based on immigration/residency status) for allocation schemes is determined by statutory law not by the local authority. The section on eligibility has been amended to bring the scheme up to date with the legislative changes that have occurred.
- 2.2 Local authorities are able to decide who qualifies to apply for housing accommodation. The significant changes to these relate to local connection and the armed forces. These are explained in detail in separate sections below.
- 2.3 The only other proposed change to qualification is to reduce the level of capital savings or equity held by applicants from £60,000 to £32,000. This change is informed by the housing strategy and recognises the need to provide social housing to those most in need.

3.0 The new guidance on local connection

- 3.1 The new guidance does not replace the law on allocating social housing but sets out the Government's policy objectives and reflects its desire to change the way social housing is perceived and used. Local authorities are not legally bound to follow this guidance, although they must have regard to it. Most local authorities in East Sussex have already limited access to the housing register for those without a local connection or are in the process of amending their allocations schemes to do so. In Eastbourne those without a local connection are not currently prevented from joining the housing register.
- 3.2 The new guidance expresses the Government's view that, in deciding who qualifies or does not qualify for social housing, local authorities should ensure that they prioritise applicants who can demonstrate a close association with the local area. Social housing is a scarce resource and the Government believes that it is appropriate, proportionate and in the public interest to restrict access in this way, to ensure that, as far as possible, sufficient affordable housing is available for those amongst the local population who are on low incomes or otherwise disadvantaged and who would find it particularly difficult to find a home on the open market.
- 3.3 The Government considers that it is appropriate that applicants meet a two year residency test before they are allowed on to a housing register and strongly encourages all local authorities to adopt such a test as part of their qualifying criteria.

However, the Government recognises that people may have a local connection to an area even if they do not currently live there or have not lived there for long enough and so authorities are encouraged to adopt additional qualification criteria so that people who are able to demonstrate a strong association to the local area are not disadvantaged.

3.4 The guidance suggests such additional criteria might include: family association - where an applicant has close family who live in the district and have done so for a minimum period of time; employment in the district – where an applicant or a member of their household is employed in the district and has worked there for a certain number of years.

3.5 The guidance indicates that it is important to provide for exceptions to qualifying criteria based on local connection for those who are fleeing violence, those accepted as homeless and certain Service Personnel who are already legally protected from the application of such criteria when they leave the Armed Forces.

3.6 We therefore propose to strengthen our existing local connection criteria in line with the new guidance and, with certain exceptions, disqualify those applicants who cannot meet these criteria, as follows:

(a) Local connection criteria – applicants will need to meet at least one of the following criteria: 2 years residence or 3 years out of last 5; or close relatives resident for at least 5 years, or 2 years if the applicant is aged 65 or over; or paid employment in the Borough for last 2 years

(b) Not to allow any new applications to the housing register to those who do not meet the local connection criteria (with certain exceptions e.g. armed forces personnel and homeless acceptances)

4.0 Armed Forces

4.1 *The Allocation of Housing (Qualification Criteria for Armed Forces Personnel) (England) Regulations 2012 (SI 2012/1869)* came into force on 24 August 2012. *The Housing Act 1996 (Additional Preference for Former Armed Forces Personnel) (England) Regulations 2012 (SI 2012/2989)* came into force on 30 November 2012. The revised statutory guidance was published on 29 June 2012. The allocation scheme has been updated to reflect these legislative changes.

5.0 The Policy to more accurately reflect Housing Needs

5.1 Since introducing choice-based lettings (CBL) in April 2001, the Council's housing register has grown year on year from its pre CBL level of around 1800 applicants to its current number of around 2600. There is a cost to managing and reviewing such a large register effectively. The Council needs to ensure that the register remains manageable and that costs are kept at a reasonable level. Given the significant mismatch between the number of people on the housing register and the number of lettings each year (approximately 200 per annum), it is also important that people's expectations are managed and that those with little chance of being housed

are encouraged to consider alternatives.

- 5.2 While the increase in applicants may to some extent reflect a real increase in housing need, it is also the case that a large number of people registering have decided not to participate in the choice-based lettings process. Out of the 2636 households currently registered, over 400 households have not bid for a property in the past 12 months, with nearly 900 households not ever having bid for a home. Most of these households are in Band D on the current housing register.
- 5.3 It is reasonable to conclude that, with certain exceptions, many of those registered on our housing register are not actively seeking to move, or may even have resolved their housing in different ways.
- 5.4 It is therefore recommended to close Band D to new applicants. Those who have previously applied to be on the register and are in Band D will remain on the register and continue to be eligible for social housing.
- 5.5 It is important to acknowledge that vulnerable applicants may not be bidding because they do not understand the process or need help in doing so. It is also important to be sensitive to those waiting for a particular property, such as those needing rarely available wheelchair adapted homes, or those who are under-occupying their home, and who may be waiting for a specific property to become available. We will therefore put in place suitable safeguards to ensure that all such applicants are not unfairly disadvantaged. The Council's Discretionary Housing Panel will continue to ensure that those residents are appropriately matched to the small number of adapted properties available. This is reflected in the proposed allocations scheme.
- 5.6 Within each band, households will be prioritised according to the length of time they have been on the housing register, as is the current practice. The revised banding structure incorporates Government guidelines which set out groups who should be awarded 'reasonable' preference. The banding takes into account a wide range of factors including:
- under-occupation in social housing
 - insanitary or statutory overcrowded housing
 - lacking bedrooms
 - medical conditions
 - risk of personal harm
 - exceptional circumstances
 - homelessness
 - the need for works to be carried out on existing social housing properties
 - bedroom requirements for fostering and adoption
 - management transfers
 - difficulties in accessing and maintaining private rented sector accommodation and the need for adaptations
 - the need of applicants who have served in the armed forces
 - welfare and social needs
- 5.7 In line with Government guidance and local priorities it is proposed that working households, or those making a community contribution, are

positively considered through Local Lettings Plans.

6.0 Discretionary Housing Panel

6.1 The review of the allocation scheme is an opportunity to prescribe the use of discretion exercised by the Council in allocating properties. The use of discretion has been an important tool in managing resources, ensuring that properties adapted or adaptable for disabled people are made available to those with this need. It has also enabled those affected by Welfare Reform and at risk of tenancy failure to choose to move. The changes made to the allocation scheme provide this activity with an accountable framework, providing the Discretionary Housing Panel with terms of reference that make it 'fit for purpose'. As the roles of those presently involved in the panel will change during the Future Model process, these terms of reference are included as an amendable appendix.

7.0 Size of Property

7.1 The section defining the size of property applicants may bid for has been amended. As a customer is most concerned with what size of property is suitable for his or her household, this information is now presented with reference to household members rather than a list of who is suitable for each size of property.

7.2 The allocation of bedrooms continues to be determined by reference to statute law relating to overcrowding (Part X Housing Act 1985) and not the Local Allowance Housing Rate, which most local authorities are adopting to determine bedroom entitlement.

7.3 In seeking to create sustainable communities, the proposed allocation scheme departs further from the approach of some other local authorities in that it recognises the cost to the authority and inconvenience to customers in not anticipating the predictable change of the need of households. Applicants will be able to bid for properties which will continue to meet the household's needs in the future and not only for properties which will become overcrowded in a matter of months. The significant ages of dependants is therefore amended to 8 and 16 years rather than 10 and 18.

7.4 Applications which present a case for the need of an additional bedroom, which is most usually on the grounds of disability need, will be considered by the Discretionary Housing Panel.

7.5 It is possible that this approach to allocating bedrooms will result in an offer where the household may be affected by the Welfare Reform reduction in Housing Benefit to under-occupying households. In such circumstances, the Council will ensure that applicants are fully aware of this but the decision to take up the offer is the applicant's choice. Should an applicant refuse a property on grounds of unaffordability, then that applicant will be not be penalised but may be required to enter into an agreement to avoid similar refusals reoccurring.

8.0 Procedure

- 8.1 The changes to the allocation scheme procedure align the need to manage administration of the scheme more efficiently with the principle of improving the customer experience. The process of allocating a property to an applicant impacts on other activities of the Council, such as void works, rent collection and fraud prevention. At the same time, the more choice applicants can exercise and the more preparation they can be afforded, the better the experience of moving is.
- 8.2 The registration procedure changes from a paper form to an online form. While present applicants have a responsibility to keep the paper form up to date, significant numbers do not. The new online process notifies applicants of a required annual refresh of the application but also allows for more convenient notification of changes of circumstance at any time. The appeal process will also go online but there is no change to the bidding process, which is already online by default. In line with its equality policies, the Council provides assistance and online access to those who require it.
- 8.3 The Future Model process will implement automated workflows which will be triggered by registration and bidding activity by the customer. This ensures that information is shared across relevant departments, including Customer First officers who can immediately inform customers of the status of their application.
- 8.4 The above will be made possible in part by the use of new software from Locata, who already provide the bidding system. January 2015 is the target date for introducing this.
- 8.5 Owing to recent changes to the funding of the building of social housing, there are now properties within the scope of the allocation scheme which are let at affordable rent. The procedure has been adapted to ensure that customers are informed when a property is being advertised at an affordable rent.

9.0 Implementing the Changes

- 9.1 Those changes mentioned above which are required by law will be implemented on adoption of the new allocation scheme, as will the changes to the processes of registering for new applicants and for appeals. Where the Council is exercising its ability to determine local priorities, such as local connection, and to decide the administration of the scheme, such as the banding of applications, these changes will not take immediate effect. All existing applicants, the present waiting list including Band D, will continue to be able to bid for properties. However, all applicants are required to undertake an annual refresh of their application and it will be at this point that the changes may become affective for applicants.

10.0 Consultation

Consultation on the proposed allocation scheme is planned to begin in October and end in December 2014. The legislation requires consultation on allocation schemes with all registered housing providers with properties in the local authority area. In addition the Council deems it good practice to consult with representatives of existing tenants and to gather feedback on the new procedures.

11.0 Legal and Financial Implications

There is a legal duty to consult on any changes to the allocation scheme with all registered housing providers with properties in the LA area.

12.0 Resource Implications

Implementing the allocations scheme can be undertaken by the current capacity and capability within the Council's Housing, Legal and Finance teams.

13.0 Equality and Fairness

- 13.1 The new allocations policy will allow a better use of scarce social homes in the borough and ensure that local people will obtain fairer and full access. The role of the Discretionary Housing Panel has been strengthened to ensure that adapted properties are appropriately matched to disabled households and that an appropriate allocation can be made without any undue delay.

14.0 Other Implications – Environmental, Human Rights, Community Safety

- 14.1 Increasing the choices available to people who look for a secure social home will lead to stronger, more vibrant communities and neighbourhoods. This will in turn improve the environment and community safety within Eastbourne will be stronger.

15.0 Youth and Anti-Poverty

- 15.1 There are no youth implications in this report. A revised and updated allocations scheme will improve choice and improve accessibility to those local households on a lower income looking for a social home in the borough.

Lead Officer name – Peter Gaimster

Job Title – Operational Housing Team Leader

Background Papers – Eastbourne Allocations Scheme 2014

Equality and Fairness Assessment – to be completed