

## **EXETER CITY COUNCIL**

**REPORT TO: SCRUTINY COMMITTEE – COMMUNITY AND EXECUTIVE**  
**DATE OF MEETING: 17 JUNE 2014 AND 24 JUNE 2014**  
**REPORT OF: ASSISTANT DIRECTOR CUSTOMER ACCESS**  
**TITLE: REVIEW INTO THE COUNCIL’S POLICY FOR ALLOCATING SOCIAL HOUSING**

**Report of: Bindu Arjoon**

**Title: Review into the Council’s Policy for Allocating Social Housing**

### **Is this a Key Decision?**

No

\* One that affects finances over £1m or significantly affects two or more wards. If this is a key decision then the item must be on the appropriate forward plan of key decisions.

### **Is this an Executive or Council Function? Executive**

#### **1. What is the report about?**

This report presents the findings and recommendations of the Task and Finish Group convened by the Scrutiny Community Committee to review the Council’s allocation of social housing. The group was chaired by Cllr Shiel and other Members included Cllrs Hannaford, Mitchell, Morris and Crow.

#### **2. Recommendations:**

The recommendations of the Task & Finish Group are:

- i. To restrict eligibility for housing to those with an evidenced housing need within the policy and thereby removing Band E;
- ii. To remove applications where people do not bid for 12 months or refuse three properties deemed suitable for their needs
- iii. To give additional priority for working households and those who make a contribution to the local community; and
- iv. To only register applicants with a local connection of two year’s residence in Devon
- v. To undertake a six week consultation with households on the housing register, partners (housing associations, Devon County Council, neighbouring local authorities, voluntary sector agencies etc) and staff on the recommendations above and report the outcomes of the consultation back to Scrutiny Committee and Executive.

### **3. Reasons for the recommendation:**

The Task and Finish Group's deliberations were informed by presentations from officers on the Devon Home Choice (DHC) Scheme, information from other councils, including local ones and feedback from residents.

### **4. What are the resource implications including non financial resources.**

i) If Members agree recommendation at 2 i) above, changes would need to be made to the IT system to ensure that applicants in Band E registered with other authorities in Devon cannot bid on Exeter properties. It is estimated that this would cost Exeter City Council £750.

ii) There is a significant amount of administration that underpins the DHC Scheme. Given that those applicants in Band E have very little chance of securing social housing, there is significant waste work from a systems thinking perspective that is generated by contact between the Council and those applicants. Therefore removing Band E would have a positive impact on staff resources, allowing officers more time to do value work in assisting residents with Housing Need.

iii) Concern has been raised by partner housing associations about what they see as unilateral changes being made by local authorities to the Devon Home Choice policy that was previously common across Devon. The Devon Home Choice Management Board are currently reviewing the Partnership Agreement governing the partnership, but it includes a proposal that if a local authority takes a unilateral decision to exclude any group in their area (such as households in Band E), partner housing associations may consider vacancies as nominations and require the local authority to cover the advertisement cost (£25 per property advertised). Such an approach would only be taken after negotiations between the local and individual housing associations. Based on the costs of lettings from 2013/14, this would equate to a maximum of £6,800 per annum. This would be a pressure on the Housing Needs budget.

### **5. Section 151 Officer comments:**

### **6. What are the legal aspects?**

The Localism Act 2011 has removed the requirement to hold an open register of clients wanting to apply for social housing and allowing local priorities to be added to the assessment criteria. The Housing Act 1996 part VI highlighted reasonable preference criteria which needed to be considered in the allocation of housing. These have not been repelled and will continue to be the main basis of the allocation policy.

### **7. Monitoring Officer's comments:**

## **8. Report details:**

Presented below is the data and narrative relevant to each of the Task & Finish Group's recommendations.

### **i. Restricting eligibility for housing to those with an evidenced housing need within the policy, thereby removing Band E applicants.**

Currently, applicants with no evidenced housing need (e.g. they are assessed to live in a property that is adequate to meet their housing need in terms of property type, size and facilities) are placed in Band E. This Band also includes those with a housing need but who have an income or savings above a certain level, or who have a reduced banding due to significant rent arrears or previous anti-social behaviour.

As at 19 May 2014, there were 2,140 households in Band E. This represented just over half (52%) of all households registered with Exeter City Council.

An analysis of households in Band E registered with Exeter City Council reveals that:

- 42% are renting privately, 33% are renting from a council or housing association, 6% are in temporary accommodation and 5% are property owners.
- The vast majority (81%) of households in Band E reported an annual household income of less than £20,000, with 53% reporting an income of less than £10,000. This suggests that the majority households are either reliant on benefits or in low paid employment.
- For the majority of households in Band E (65%), the main applicant is aged under 45. 10% have a main applicant between 55 and 64, and a further 10% have a main applicant aged 65 or more. There are therefore not large numbers of people in Band E seeking sheltered accommodation, which is sometimes harder to let than general needs accommodation. The age profile is important because some housing associations have expressed concern at the proposed removal of Band E as a higher proportion of sheltered homes for older people are let to applicants.
- The most common reasons given for applying to join the housing register by households in Band E are that their health or wellbeing is being made worse by their current home, that they are struggling to afford their current home or that they need to move to be near to family to give or receive support. (see Appendix One). The applications have been placed in Band E because, on review, housing officers have assessed that they have no housing need. Members may wish to note that households who are struggling to afford their current home are not recognised as a priority within the Devon Home Choice policy, as they are not one of the 'reasonable preference' groups specified in legislation.

Given the demand for a council and housing association home it is unsurprising that only a very small proportion of homes in Exeter have been let to applicants in Band E. Only 6 (1%) of the 616 homes let in Exeter between 1 April 2013 and 31 March 2014, were allocated to households in Band E. The table that follows provides summary details of these properties:

Landlord	Beds	Property Type	Accessibility Details	Sheltered	Let by Direct Match	No. of Bids	Queue Position of successful applicant
Affinity Sutton	3	Maisonette	Max 3 steps	No	No	8	8
Cornerstone	1	Maisonette	General needs	No	No	18	14
Guinness	1	Bedsit	General needs	Yes	No	12	11
Guinness	1	Bedsit	General needs	Yes	No	7	7
Sovereign	1	Maisonette	Max 3 steps	No	No	22	10
Sovereign	2	Maisonette	Max 3 steps	No	No	3	3

It is argued that as Band E applications account for just over half of all active Exeter applications, staff time will be released to manage higher priority cases more proactively if the Council ceases to register Band E households.

The current practice of registering those who have very little chance of ever being housed could be said to raise false expectations. If Members agree not to register applicants with no housing need, housing advice will be offered to these households so that they can make a realistic choice from the limited options available.

Most households will need to look to secure rented accommodation in the private sector. Existing council or housing association tenants could seek a mutual exchange. Those who are struggling to pay their rent will be advised to apply for housing benefit if they are not already in receipt or seek housing advice and financial advice through the Council.

Teignbridge District Council and Torbay Council have agreed to remove Band E following consultations in their areas. This is due to take effect on 6 May 2014.

Concern has been raised by partner housing associations of the changes being made by local authorities to the Devon Home Choice policy that was previously common across Devon. The Devon Home Choice Management Board are currently reviewing the Partnership Agreement governing the partnership, but it includes a proposal that if a local authority takes a unilateral decision to exclude any group in their area (such as households in Band E) partner housing associations may consider vacancies as nominations and require the local authority to cover the advertisement cost (£25 per property advertised). Such an approach would only be taken after negotiations between the local and individual housing associations.

Teignbridge District Council and Torbay Council (who have both agreed changes to the Devon Home Choice policy in their areas, including the removal of Band E households) are currently holding such negotiations with housing associations. The outcomes of these negotiations will inform the proposed consultation and final decision taken on the recommendations set out in this paper.

## **ii) Removing applications where people do not bid or refuse properties**

Analysis of the housing register reveals that just under half of all applicants registered with Exeter City Council have not bid since registering with Devon Home Choice (see the table that follows).

Band	Has not bid	
	No.	%
Band A	0	0%
Band B	134	28%
Band C	115	23%
Band D	372	38%
Band E	1,256	60%
<b>Total</b>	<b>1,877</b>	<b>46%</b>

Concern has been raised that a large amount of staff time and resource has gone into registering applications for households who do not bid.

It is therefore proposed to remove households from the register who have not bid within the previous 12 months, where it is felt that there have been appropriate properties for them to bid for. Households would be contacted to inform them of their removal and to advise them that that they can reapply if they wish to after a reasonable period.

The current Devon Home Choice policy states that:

‘Applicants who refuse a number of homes that they have bid for and been offered will have their case reviewed by the local authority managing their case. They will be offered advice and assistance to take part in Devon Home Choice effectively. If it is found that they continue to refuse what are considered to be suitable homes they will have their priority reduced to the no housing need band (Band E)’

It is proposed that Exeter City Council makes it clear to applicants that if they refuse three homes that are considered to be suitable for them, they will be removed from the housing register. Applicants will have a right of review against any decision to remove them from the register.

### **iii) Additional priority for working households those who make a contribution to the community**

In the National Housing Strategy published Autumn 2011, the government recommended that local authorities consider giving additional priority for social housing to working households and consider offering some priority to those who are contributing to the community.

A recent survey of ECC tenants found that 31% were either working full time (16%) or part time (15%). 7% of ECC tenants reported that they were seeking work, whilst 9% stated that they were not seeking work and another 18% reported that they were unable to work. 35% stated that they were retired.

The Council could choose to prioritise working households for some properties, for example, in areas where it is identified that there is an over-representation of economically inactive households. This can be done by advertising certain properties with a preference for working households, rather than by amending the Devon Home Choice policy.

The Scrutiny Community Committee are invited to comment on whether mechanisms should be explored to prioritise working households for some lettings, and whether this should be targeted on areas where there are a high proportion of economically inactive households.

The Council could also choose to recognise residents who contribute to the local community. The Scrutiny Committee are invited to comment on whether mechanisms for assessing community contribution should be considered within the policy and which activities should be recognised. This is currently being piloted in Teignbridge for residents completing voluntary work or employment within specific rural areas. The Task and Finish group consider that this is a potential area for consultation with the following elements being highlighted as potential qualification for Community Contribution:

- Employment within the area
- Voluntary work (the standard used most commonly is 10 hours per month)
- Ex Services Personnel
- Foster or community carers
- Those engaged in training or apprenticeships.

**iv) To only register applicants with a local connection of two year's residence in Devon**

The government has issued statutory guidance on 'Providing social housing for local people'. The guidance encourages local authorities, in deciding who qualifies for social housing, to prioritise applicants who can demonstrate a close association with their local area by adopting a residency requirement as part of their qualification criteria. The Government believes that a reasonable period of residency would be at least two years, i.e. only households who had lived in that area for at least two years could join the housing register.

For areas like Devon where local authorities share a common allocation policy, the guidance states that local authorities may wish to adopt a broader residency test which would be met if an applicant lives in any of the partners' districts (e.g. the whole of Devon rather than an individual district). It is suggested in the guidance that such an approach might be particularly appropriate where an established housing market area spans a number of local authority districts, and could therefore help promote labour mobility within a wider geographical area.

Alongside a residency requirement, the guidance suggests that local authorities may want to adopt other qualification criteria to ensure that applicants who are not currently resident in the district/ area but who can still demonstrate a strong association to the local area are able to qualify (e.g. through family association or employment).

Local connection is not one of the factors considered in the current policy when determining whether someone is a qualifying person and can therefore join the Devon Home Choice. However whilst applicants who have no local connection to Devon can register with Devon Home Choice they will have their application restricted to either:

- Band D if they are assessed as having a housing need (whether this be high, medium or low need), or
- Band E if they are assessed as having no housing need

Torbay Council has agreed the introduction of a 5 year residency test to join the Devon Home Choice register in their area. However there are a number of exceptions:

- Tenants of partners landlords living outside Devon (recommended in the guidance)

- Members of the armed forces (who have served within the last 5 years) or their bereaved partners (required by legislation)
- Applicants in Band A and Band B
- Applicants who have worked for 6 months in Devon
- Applicants who have immediate family who have lived in Devon for 5 years

Rather than adopting a unilateral local connection test, it is recommended that Exeter City Council proposes that the Devon Home Choice Management Board agree a change to the Devon Home Choice policy to introduce a 2 year local connection test to Devon as part of the qualification test to join the Devon Home Choice register. This approach is recommended given that more applicants move out of Exeter to other local authority areas where they have no local connection than applicants without local connection moving into Exeter.

### **9. How does the decision contribute to the Council's Corporate Plan?**

This review relates directly to the Council's priority of Help Me Find Somewhere Suitable to Live.

### **10. What risks are there and how can they be reduced?**

As stated above, concern has been raised by partner housing associations to what they see as unilateral changes being made by local authorities to the Devon Home Choice policy that was previously common across Devon. The Devon Home Choice Management Board are currently reviewing the Partnership Agreement governing the partnership, but it includes a proposal that if a local authority takes a unilateral decision to exclude any group in their area (such as households in Band E) partner housing associations may consider vacancies as nominations and require the local authority to cover the advertisement cost (£25 per property advertised). Such an approach would only be taken after negotiations between the local and individual housing associations.

Teignbridge District Council and Torbay Council (who have both agreed changes to the Devon Home Choice policy in their areas, including the removal of Band E households) are currently holding such negotiations with housing associations. The outcomes of these negotiations will inform the proposed consultation and final decision taken on the recommendations set out in this paper.

It will be vital that partner associations are included in the consultation about the proposed changes in Exeter. It is suggested that a special meeting be set up as part of the consultation process with partner housing associations and councillors so that all views can be fully aired and the consequences of any changes fully understood.

### **11. What is the impact of the decision on equality and diversity; health and wellbeing; safeguarding children, young people and vulnerable adults, community safety and the environment?**

The potential changes to the allocation of social housing highlighted in this report do not have any negative impact in terms of gender, ethnicity, sexuality and religion. There is a potential negative impact in terms of disability and age due to the reliance on technology for continued engagement in bidding in Choice Based Lettings. This can be mitigated through the provision of help and support from the Housing Needs Team and through engagement with local support agencies.

The removal of Band E applicants would give capacity for closer working with the households in Band A-D which are in the greatest housing need. This client group includes vulnerable adults, households with safeguarding issues and those with Health and Wellbeing needs.

**12. Are there any other options?**

There are other methods for allocating council properties which are used in other areas. The Task & Finish Group considered these alternatives but felt that the proposed changes best reflected the aim of the Group to recommend a policy suitable for Exeter as part of the overall Devon Home Choice Policy.

Bindu Arjoon  
**Assistant Director**

**Local Government (Access to Information) Act 1972 (as amended)**

**Background papers used in compiling this report:-**

None

Contact for enquires:  
Democratic Services (Committees)  
Room 2.3  
01392 265275



Appendix One

**Reason for applicants applying to Devon Home Choice**

<b>Reason stated on application:</b>	<b>No.</b>
Health or wellbeing made worse by current home	678
Struggling to afford current home	545
Need to move to be near to family to give or receive support	487
Homeless or at risk of becoming homeless	259
Want to live in a particular village within Devon where have a local connection	236
Need to move to a larger home	193
Ready to move from supported accommodation to independent living	162
Want to live in accommodation for older people	161
Current home is in very poor condition	122
Need to move to escape violence (including domestic violence) or harassment	106
Sharing facilities (toilet, bathroom or kitchen) with another household	54
Currently serving or have served in the regular UK armed Forces	48
Council or housing association tenant who wants to move to a smaller home	37
Live on, or above the third floor and have children under 8 years old	35

\* Please note that some applicants select more than 1 reason for applying.