

## **REPORT TO Scrutiny Community**

**Date of Meeting: 8 September 2015**

**Report of: Assistant Director Customer Access**

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

**Is this a Key Decision? Yes**

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?**

This is a policy change recommendation and therefore a Council function.

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

This report presents the findings and recommendations of the Task and Finish Group convened to review the Council's allocation of social housing in 2014 and the subsequent public consultation. The group was chaired by Cllr Shiel and other Members included Cllrs Hannaford, Crow and Morris

### **2. Recommendations:**

To amend the allocation policy for Exeter City Council in the following way:

- i. To restrict eligibility for housing to those with an evidenced housing need within the policy and thereby removing B and 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 to bid for properties in areas where there are high levels of unemployment.

To not implement the following recommendations of the task and finish group:

- iv. To give additional priority to those who contribute to the local community.
- v. To implement a specific local connection criteria to Devon / Exeter.

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

The Task and Finish Group and the consultation have highlighted a desire for the allocation system to be clearer for those in housing need and to cut out waste within the system. The consultation ran for 7 weeks and received 240 responses.

The implementation of these recommendations will allow the officers involved in managing the applications more time to provide advice and assistance to those in housing need and clarity in housing options for those deemed not to be in housing need.

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

i) If Members agree recommendation above, changes would need to be made to the IT system to ensure that applicants in B and E are no longer able to apply or bid for Exeter properties. An estimated price from the IT provider is £675.

ii) 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, previously common across Devon. The Devon Home Choice Partnership Agreement includes a clause stipulating 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 following negotiations between the local authority and individual housing associations. Initial conversations with the main housing association in the City suggest that this will not be implemented unless there is a significant impact upon their business processes. Based on the costs and lettings from 2014/15 this would equate to a maximum of £6,000 per annum. The advert fee has since been reduced.

iii) There is a significant amount of administration that underpins the DHC Scheme. Given that those applicants in B and E have very little chance of securing social housing, there is significant waste work. Therefore, removing B and E would have a positive impact on staff resources, allowing officers more time to do value work such as giving greater assistance to those in housing need.

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

Although there is potentially a small requirement for additional resources, it is expected that these can be contained within the existing budget of the service.

#### **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 repealed and will continue to be the main basis of the allocation policy.

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

Legal Services have not been asked to advise on the content of the Devon Home Choice Partnership Agreement nor this issue generally and so the Monitoring Officer is not in a position to comment on the content of this report. Having said that, on the face of it, the recommendations appear to be sensible.

## **8. Report details:**

Detailed below is the rationale behind the recommendations including the results of the public consultation.

### **i. Restricting eligibility for housing to those with an evidenced housing need within the policy, thereby removing B and 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 B and E. Band E 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 rent arrears or previous anti-social behaviour.

As of the 1 April 2015, there were 2,437 households in B and E. This represented just over half (51%) of all households registered with Exeter City Council.

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 15 (2.5%) of the 616 homes let in Exeter between 1 April 2014 and 31 March 2015 were allocated to households in Band E

50% of the respondents of the consultation were in support of removing B and E. Comments received and comments from the public highlighted that they would prefer to hear from the beginning if social housing wasn't an option.

It is argued that as B and E applications account for just over half of all active Exeter applications, staff time will be released to manage higher priority cases more proactively. This will also allow advice officers more time in explaining the wider housing options which may be suitable, such as low cost home ownership, money advice to resolve affordability concerns or mutual exchanges for current social housing tenants wishing to move area.

Teignbridge District Council and Torbay Council have removed B and E following consultations in their areas. The impact has been positive with few complaints from those impacted, who also receive a more individualised approach to their advice options.

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. In relation to the removal of Band E the concern has been connected to being unable to find tenants for less desirable properties. The Housing Needs Team is confident that, should a property not be let from band A-D under the usual process, there are sufficient homeless households in temporary accommodation to enable direct matches to those properties.

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

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

	<b>Has not bid</b>
<b>Band</b>	<b>%</b>
Band A	0%
Band B	44%
Band C	35%
Band D	54%
Band E	72%
<b>Total</b>	<b>60%</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 or engage in the Devon Home Choice Scheme.

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. This approach was supported by 67% of the consultation respondents.

An assisted bidding scheme is in place already to assist vulnerable applicants to access Devon Home Choice. The implementation of the recommendations will allow for the scheme to be expanded and review why applicants in high need (B and B) have not bid for accommodation available.

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 informs applicants that if they refuse three homes that are considered to be suitable for them, they will be removed from the housing register. This will be done through reviewing paperwork and the offer process. It is proposed that the suitability guidance for homelessness is considered as the test of a ‘reasonable’ refusal. Applicants will have a right of review against any decision to remove them from the register. 60% of respondents are in favour of this approach with a further 10% advising that they neither agree or disagree. Currently there are 56 applicants who have refused 3 or more

properties. This equates to 202 wasted offer processes in the last 12 months which would be avoided if the application had been closed after 3 offers.

**iii) Introduce additional priority for working households those who work.**

In the National Housing Strategy published Autumn 2011, the government recommended that local authorities consider giving additional priority for social housing to working households.

Awarding additional banding to working applicants has not proven popular and has highlighted concern in relation to those with disabilities or with young children being disadvantaged by this policy approach.

An alternative approach was consulted on whereby limited priority can be awarded to working clients for a proportion of properties located in areas where there is a high level of worklessness. This approach was popular amongst respondents with only 28% opposed.

This approach can be implemented through local agreement and does not require an amendment to the Devon Home Choice policy. To implement the plan the economic status of current tenants would be used to map areas of low employment and 30% of properties in these areas would be advertised as preference given to working households.

**iv) To not introduce additional priority for those who contribute to the local community.**

The Task and Finish Group recommended that the Council recognise residents who contribute to the local community through social housing allocation.

During the consultation 54% of respondents supported the approach, however there was disagreement about how community contribution could be defined. This issue has been debated around the country as local authorities have considered implementation. The government has declined to offer definition resulting in variation nationally.

Examples from elsewhere in the country, notably Manchester, Dartford and Teignbridge have found its introduction complicated and labour intensive.

It is recommended that this not be pursued further. There are other elements of the Devon Home Choice allocation policy which recognise many of the suggested 'community contribution' categories. For example, additional priority for veterans, bedroom allowances for foster carers and health and well being banding for carers.

**v) To not implement a specific local connection criteria to Devon / Exeter.**

The Localism Act 2011 removed the duty on the local authority to hold an open housing register and therefore gave the ability to prioritise local homes for local people.

74% of respondents are supportive of prioritising access to social housing to applicants with a local connection to Devon. Respondents were positive to the Devon wide approach to allocating property, citing the opportunity to move for work or to bordering towns as an advantage.

Rather than adopting an individual local connection test, it is recommended that Exeter City Council remain within the Devon Home Choice policy that already includes a 2 year local connection test to Devon. 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 revising the Council's policy for the allocation of social housing

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

As stated above, concern has been raised by partner housing associations regarding the removal of Band E and a move away from a consistent Devon Home Choice policy across the county. There are two current examples of changes: Teignbridge and Torbay. The severity of the change has influenced how the registered partners have responded. These recommendations are not significantly different from the changes implemented in Teignbridge where there has been no cost implication.

Once clarity is in place regarding the recommendations, negotiations with partner housing associations will continue. It is envisaged that the improvements in the management of applicants that refuse properties will provide benefit to the partners rather than additional work to let less desirable properties.

**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 the assisted bidding scheme.

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?**

The alternative is to leave the allocation policy as it is now and continue to manage dormant applications. This would have capacity issues for staff struggling to manage current caseloads.

**Assistant Director Customer Access**

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

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

None

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