

Report to Select Committee on the Environment 17th September 2008

Report of the Director of Adult, Community & Housing Services

Review of Housing Allocations Scheme

Purpose of Report

1. The purpose of this report is to update Select Committee on the work carried out by the Choice Based Lettings Working Group and to recommend a number of changes to the Lettings Policy.

Background

2. The Council's Cabinet, in resolving to implement a Choice Based Lettings approach in the borough, also directed that the existing points scheme should either be simplified or replaced. The process of review has been overseen by Select Committee on the Environment, and has already been the subject of detailed work by a cross party working group. For the current municipal year, the Working Group is made up of Cllr Mrs Cowell (Chairman), Cllr Mrs Turner, Cllr Mrs Jordan, Cllr Lowe and Cllr James.
3. The review of the allocations scheme has been informed by the Housing Needs Survey, by consideration of key corporate issues including crime & disorder, sustainable neighbourhoods, corporate parenting and health implications/ inequalities, by external factors such as government proposals on overcrowding standards, and by consultation with service users.
4. Previous reports have identified that the points scheme is simply a way of measuring competing housing needs, and that this major review also needs to ensure that other elements of the Lettings Policy are still appropriate. The Working Group has considered its contents in some detail, and agreed that the issues contained within this report should be considered by Select Committee at this stage in the process of review.
5. A table describing each section of the Lettings Policy, and identifying how each section should be updated is attached as Appendix A. The remainder of this report sets out the main changes that are proposed, and the rationale for change.

Occupancy Standards (Eligibility of households for property types)

6. Rehousing is determined by eligibility for property type as well as points order, so that (for example) single people are only eligible for flats designated for their age

range, whilst families of varying sizes are eligible for family properties of various sizes, and bungalows are generally let to older people or people with medical or mobility needs. Where a family is separating, it is held that they should not be given a second house, and that the partner with access or the lesser share of care should only be offered a flat or maisonette.

7. There are some special arrangements, for example adapted properties are let to the best match as identified by the Housing Occupational Therapy Team, people with learning disabilities may be allocated suitable properties for which they may not normally be eligible such as bungalows, whilst families who are given homelessness priority and who previously had no security of tenure may only use that priority for a flat or a maisonette.
8. The area of greatest pressure is family housing, with a waiting list at April 2008 of 2414 families with children, and a further 1151 tenant families registered for transfer. The corresponding numbers of childless couples were 567 and 354, of which 386 were over 60. In 2007/8, there were 952 flats and maisonettes let, compared to 599 family houses. The continuing eligibility of childless couples for two bedroom houses is good in that it offers them a wider choice and theoretically allows young couples to establish themselves prior to starting a family, but this has to be weighed against the needs of families who already have children. The recommendation is that childless couples should no longer be eligible for two bedroom houses.
9. As at April 2008, there were 129 families with four or more children on the waiting list, 236 with three children, and 413 with two children of opposite sexes (or deemed too old to share). All of these are eligible for four bedroom houses. In 2007/8, we let a total of 16 four bedroom houses and 347 three beds. The following measures are recommended in order to balance the low supply of four bedroom houses with the high demand from larger families.
 - Four bedroom houses should generally only be let to families with three or more children.
 - Families with four or more children should also be eligible for three bedroom houses, providing they would not be statutorily overcrowded, that the move represents an improvement in their living conditions (eg from a two bedroom house), and that they have viewed the property and determined that its layout can meet their needs.
 - The supply of four bedroom houses should be increased by encouraging RSLs to include more large homes in new schemes, and through incentives for tenants willing to move to smaller properties. Incentive schemes are further referred to in paragraph 17 of this report.
10. Easing the restriction on homeless families with no previous security of tenure would add to the pressure on preferred family housing ie houses as opposed to family flats and maisonettes. In 2007/8 the number of additional families who would have received preference for houses would have been 96. Amongst the total homelessness presentations from these groups (957 in 2007/8), there are also significant numbers who choose not to pursue their homelessness claims when they find that they will only have preference for a flat or maisonette. It is therefore recommended that this restriction remain in place, and that with the exception of families in refuge following domestic abuse, homeless applicants from outside the borough should also only be considered for flats and maisonettes.

11. In implementing these proposals, it is also recommended that we confirm the custom and practice that a family with adult children is considered equally with a family with younger children, and that a household is deemed to include anyone who would normally be expected to reside with the applicant (ie their partner and children) plus anyone for whom they have a social care responsibility. The policy needs to be robust enough to avoid abuse, but flexible in response to cultural differences in household composition.
12. Additional flexibility around disabilities is also recommended in order to cater (for example) for a young person with a guide dog in a one bedroom bungalow rather than a flat, and to ensure that a single person with mental health issues is housed appropriately to their lifestyle and risk factors rather than their housing being determined simply by their age. The Housing Occupational Therapy Team has a well established role in the functional assessment of housing needs, that should be further developed in order to respond appropriately to individual issues of ill health and disability.

Less Preference and Additional Preference

13. In law, we must give reasonable preference on our waiting list to people who are homeless, living in overcrowded, unfit or otherwise unsatisfactory accommodation etc. It is a matter for local policy whether we then differentiate between households who fall within these reasonable preference groups, and the Allocations Code of Guidance suggests that it is appropriate to take into account local connection, the financial circumstances of the applicant, and their previous tenancy history (good or bad).
14. Our current position in respect of local connection is as follows, and no amendments are proposed
 - People living outside the borough are assessed under the points scheme but not made an offer unless there are no applicants within the borough with similar levels of need. In practice, only mature and older people are likely to be successful.
 - People living outside the borough but who are seeking to move here to be closer to their employment or to give or receive support are given a certain points award. In practice, this sometimes enables single people and couples to move here, but not families.
 - People who are homeless and are referred back to Dudley from another borough where they have no local connection, or who apply directly and have no local connection anywhere, or who are in temporary accommodation here but previously lived outside the borough, are considered alongside other homeless applicants but are only allowed one offer
 - It is important to note that Armed Forces personnel with a previous connection to Dudley are not treated as out of borough applicants, and receive favourable consideration for housing when discharged.
15. Our current position in respect of financial circumstances is that we do not consider income or savings, but we do consider equity in any present home or any home sold or transferred within the preceding five years. If the equity exceeds £60000 for applicants aged 60 years or above, or £85000 for younger applicants, then offers will only be made if there is no demand from other applicants with similar needs. Where a couple are separating, it is generally assumed that any equity will be split

50:50, but this takes no account of any duty that may exist in law to provide for the children. The recommendations for change (bearing in mind that from October 2008 we will be offering a personalised service assisting any Dudley resident to explore their housing options) are that

- As a general rule, we should hold that any applicant with sufficient equity to pay a deposit and rent in advance on a private tenancy should not be given council housing ahead of applicants without this advantage. The recent introduction of Local Housing Allowance gives us an independent assessment of this access level. For example, a family needing a three bedroom house is expected to have to pay £549.99 rent per month, and the initial deposit is usually approximately one months rent, so equity of £1100 would enable this family to secure a home in the private sector.
- Policy should also recognise that there are circumstances where people cannot resolve their own housing needs even with a sizeable amount of equity, for example where they have support needs or significant disabilities. It is therefore recommended that applications for sheltered and Extra Care housing are individually assessed and that equity should only be considered as one of a range of relevant factors, whilst exceptions on the grounds of disability or other exceptional needs should be assessed by the Housing Occupational Therapy service.

16. Our current position in respect of previous tenancy history (good or bad) is that we consider any history of rent arrears, neighbour nuisance, anti social behaviour and damage to property, and may exclude, defer or give less preference, subject to a right of appeal. The recommendations for change are as follows:

- There should be no change to our general policy, however people who are in urgent housing need, are in temporary accommodation or are in supported housing should when their application is assessed be given a personal target for reducing arrears and maintaining a regular payment plan. Providing they meet these requirements they should be considered alongside other applicants with no adverse history.
- It is further proposed that any household with a history of more than one former tenancy debt and/or any history at all of anti social behaviour should be required to engage with Tenancy Sustainment and begin to reach negotiated goals before any relaxation of policy is considered.
- Additionally, in future, we should develop new reward and incentive schemes for tenants and prospective tenants who look after their homes and are good neighbours. Incentives should also be offered to tenants who are prepared to “downsize” from family houses to smaller properties, including practical help, free removal of unwanted belongings, and priority access to their properties of choice, possibly including some exceptions to policy, such as couples being able to move from four bedroom houses to two bedroom houses, and people under 60 being able to move to bungalows.

Other Issues

17. Applicants who refuse three offers of accommodation are deferred for six months, as are applicants who fail to respond to two offers, or who knowingly worsen their housing circumstances. Refusals under Choice Based Lettings have been virtually eliminated, as the property is not formally offered until viewings have taken place. However, in order to discharge homelessness duties, we have to have in place a

policy as to how many offers are allowed. It is proposed that applicants to whom we owe a homelessness duty should be able to bid freely for four weeks, at the end of which time proxy bids should be placed for them or a direct offer made. In accordance with legislation, one reasonable offer would bring the homelessness duty to an end, and there already exists an appeals procedure to ascertain whether an offer was reasonable or not. The Working Group considered that the number of offers should be reduced from three to two, but not to the statutory one offer. It is therefore recommended that homeless families should have up to two offers, and that the impact of this change be reviewed in due course to ensure that periods of time in temporary accommodation are not excessive.

18. Currently, there are very limited opportunities for officers to apply discretion around general policies, and most exceptions have to be considered by the Director and Cabinet Member at their weekly meeting. The Working Group felt that a hierarchy of decision making should be developed, so that senior managers are able to manage, and only truly exceptional cases or those with policy implications are referred to Housing Delegation.
19. Section 15 of the Lettings Policy deals with staff service tenancies and tied tenancies, is little used, and has not been reviewed for some time. It is recommended that these properties should be let to the Directorate concerned for temporary occupation by their employees, and should not as currently assumed default to secure tenancies after twelve months. As a general rule, only flats and maisonettes should be offered even for temporary use. A similar arrangement should be offered for key workers, currently the subject of Section 16 in the Policy.

Further Work Required to Complete This Review

20. The proposal to change from the points scheme to a bandings scheme is currently subject to IT development and testing. It is due to be offered for public consultation later this year, and considered in detail by the Working Group prior to a final scheme being submitted to Select Committee and then Cabinet early in 2009.

Finance

21. There are no financial implications arising directly from this report. Budget provision has already been made for IT adjustment/implementation.

Law

22. The powers and duties of housing authorities in relation to the allocation and management of council housing are set out in the Housing Acts 1985 and 1996 and the Homelessness Act 2002.

Equality Impact

23. The preferred scheme will be tested throughout implementation to ensure that it has no adverse effects.

Recommendations

24. Members are requested to consider the following proposals for change, and to consider recommending the Cabinet Member for Housing to implement them by way of a Decision Sheet.

- Houses should generally only be allocated to families with children (including expected or adult children)
- Four bedroom houses should generally only be let to families with three or more children or other dependant relatives
- Families with four or more children should be considered for three bedroom houses at their own request and subject to overall benefit and suitability
- Exceptions to general occupancy standards should be able to be made through delegated authority by senior and specialist officers
- Current equity limits should be dispensed with, and households with sufficient equity to have other housing options should only be considered for vacancies if there are no other applicants
- Exceptions to equity rules should be able to be made for older people and people with support needs and disability needs, through delegated authority by senior and specialist officers
- Exceptions to the general rules on previous tenancy history (rent arrears and anti social behaviour) should be individually made through delegated authority by senior and specialist officers
- An incentive scheme should be developed to reward good tenants and to incentivise moves that are of benefit to the Council in meeting housing needs
- Homelessness priority should be time limited and discharged on receipt of two reasonable offers
- Service and key worker tenancies should generally be flats or maisonettes, and should not automatically default to secure tenancies after twelve months.



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Structure and Contents of the Lettings Policy, with Recommendations for Updating.

Contents	Action required
Section 1: Background to the Lettings Policy	Minor amendment to replace references to the points scheme with bandings scheme. Amend Statement on Choice to reflect roll out of CBL. Confirm or update sale price.
Section 2: Access to the Waiting List	Update in the light of changes in the way that we deal with applicants who own a property, applicants from other boroughs, and applicants with poor previous tenancy history
Section 3: Matrimonial Rehousing Policy	Minor amendment to acknowledge and clarify shared care of children. Amend in respect of equity.
Section 4: Debts to DACHS	Amend in the light of changes to policies on former tenant rent arrears.
Section 5: Reregistration	There are no proposals to change the process of re-registration
Section 6: Waiting Time, Assessment & Deferral	Amend in the light of decisions on offer refusals.
Section 7: Occupancy Standards	Amend in the light of decisions on occupancy standards.
Section 8: Assessing Housing Need	Section will be replaced when the bandings scheme has been approved
Section 9: Transfer for Current Tenants of Dudley MBC	Amend in the light of decisions on rent arrears and points to bandings. Amend when Incentive Scheme agreed. Amend in respect of appeals process.
Section 10: Modernisation and Management Moves	Minor amendment if Appendix 3 (Management Transfers) is amended
Section 11: Mutual Exchange Scheme	Minor amendment to reflect our membership of HomeSwapper from October 2008.
Section 12: National Mobility and Tenants Exchange Scheme	Amend to reflect membership of HomeSwapper and end of HEMS.
Section 13: Statutory Rehousing	Amend in the light of decisions on rent arrears and poor previous tenancy history, and on occupancy standards.
Section 14: Temporary Rehousing for Grant Aided Improvements	There are no proposals to change this section.
Section 15: Staff tenancies	Amend in the light of decisions on service tenancies.
Section 16: Temporary Rehousing for Key Workers	Combine with Section 15.
Section 17: Temporary Rehousing for Homelessness	Amend in the light of decisions on rent arrears and poor previous tenancy history.
Section 18: Housing	May require amendment following a review of the

Association Nominations	nominations agreement (October 2008)
Section 19: Housing Delegation Process/Meeting	Amend in the light of decisions on rent arrears and points to bandings. Amend in respect of appeals process.
Section 20: Housing Liaison Group	Review in the light of Housing OT role.
Section 21: The Selection Process	Section to be amended to reflect the Choice Based Lettings process.
Appendix 1: List of Flat Designations	Section to be checked for accuracy, however a review of the number and distribution of designations is outside the scope of this exercise.
Appendix 2: Agreement Between Dudley MBC and local Housing Associations	The Agreement is under review to reflect the move to a Choice Based Lettings process.
Appendix 3: Management Transfers approved by Housing Committee	Section could be absorbed into earlier sections in order to avoid the need to cross-reference
Appendix 4: Exceptions to Lettings Policies	Section could be absorbed into earlier sections in order to avoid the need to cross-reference
Appendix 5: Revisions to the Manual in Date Order	There are no proposals to change this section.
Appendix 6: Procedure for Reviewing a Decision (Waiting List or Homelessness)	Section to be checked against most recent relevant case law