

REPORT TO:	Housing & Community Services Committee	AGENDA ITEM: 11
DATE OF MEETING:	13th June 2013	CATEGORY: DELEGATED
REPORT FROM:	Director of Housing & Environmental Services	OPEN
MEMBERS' CONTACT POINT:	Richard Knott, Housing Operations Manager (ext 5797)	DOC:
SUBJECT:	Allocations Policy amendments	REF: TERMS OF REFERENCE:
WARD(S) AFFECTED:	All	

1. Recommendation

- 1.1 That Members approve in principle the proposed changes to the South Derbyshire Homefinder Allocations Policy ahead of a 4 week consultation programme.
- 1.2 That if no material changes are proposed following the consultation process, as assessed by the Chairman of the Committee, the amended policy be adopted and implemented immediately. Material proposals to be the subject of a further Committee report.

2. Purpose of Report

- 2.1 To inform and seek members' approval of the draft amendments to the South Derbyshire Homefinder Allocations Policy, following a full review. The changes incorporate amendments to allocations legislation contained within the Localism Act 2011.
- 2.2 To seek members approval of the proposal to open wider consultation with current applicants on the Housing Register and other stakeholders.

3. Detail

- 3.1 In November 2012 a report was agreed by Housing and Community Services Committee implementing immediate changes to allocations legislation concerning Armed Forces Personnel and the potential to discharge the homeless persons obligation to the private rented sector housing.
- 3.2 In that report it was proposed to review the allocations policy still further in the near future to more fully consider and apply potential amendments to allocations schemes as allowed in the Localism Act 2011. This review is now complete and our proposed draft allocations policy can be found at Appendix 1.
- 3.3 There are currently over 2000 applicants on the housing register. We let approximately 230 properties per year across all social landlords in the district. Demand for properties

is increasing and the revisions to the legislation allow us to shape our allocations policy to help those most in need.

3.4 The draft policy attached seeks to respond to the impact of welfare reform on tenants who face reductions in their Housing Benefit, has applied in full the legislation provisions for armed forces personnel and prioritised those most in need by amending the needs bands and property advert quotas, whilst restricting access to the list to certain applicants.

3.5 A summary of the main changes to the policy are stated below from paragraph 3.6 onwards.

Non qualifying persons

3.6 Introduction of non qualifying persons in section 5.3 of the policy. The following additional criteria will mean these applicants will not be approved to join the register:

- households with a gross income of £32k per annum, excluding Disability Living Allowance, or Personal Independence Payments (the £32k threshold is proposed as this is where people start to pay income tax at the higher level).
- People who do not have a 'Local Connection' with South Derbyshire. See paragraph 13 of the policy for the definition
- People who own (including those in the process of selling) and live, or are able to live in a property they own, unless there are exceptional circumstances. For example, a person who is a victim of domestic violence and elderly owner occupiers whose current home is not suitable for them to continue to reside and whose assets are not sufficient enough for them to secure alternative private accommodation.
- People who have made their own housing circumstances worse in the last six months (unless they are owed a duty under section 190 of the 1996 Housing Act as amended by the Homelessness Act 2002). For example:
 - (a) abandoning a previous tenancy
 - (b) moving to new housing that we assess is worse than their previous housing without good reason for doing so
 - (c) moving out of a property when, housing advice has been provided for the applicant not to move and there are no extenuating circumstances for having done so
 - (d) selling a property or giving notice on a tenancy without securing other housing first
 - (e) moving out of an adapted to an un-adapted property and still needing adaptations and there are no other circumstances that warranted a move.
- People whose application has been cancelled because they have given false information in order to obtain a tenancy in the last 2 years
- People successfully housed into a social or affordable housing starter or introductory tenancy of less than 12 months, unless their circumstances have changed sufficiently for them to fall under the reasonable preference categories

Previous rent arrears and/or tenancy related debt

- 3.7 Paragraph 5.4.1 of the proposed policy provides more detailed guidance on how applicants with rent arrears or tenancy related debt will be managed. Currently if an applicant owes under £200 they will be accepted on to the register if they can demonstrate regular payments. If they owe over £200 they will be allowed on to the register on the discretion of senior management which is also focussed on evidencing regular payments and potentially a lump sum, balanced against their current housing circumstances.
- 3.8 The new proposals seek to provide in detail how applicants with tenancy related debt will be managed and approved to join the register. Applicants owing £101 or more will not be approved unless they meet regular agreed payments and reduce the debt below certain levels depending on the amount of the original debt. However with the Welfare Reform changes there are likely to be some cases that require detailed investigation. Each arrears case will still be considered individually to take account of any mitigating factors that mean this ruling may need to be bypassed by senior management.

Previous Unacceptable Behaviour

- 3.9 Section 5.5 of the policy provides additional detail as to what we deem as acceptable conduct and behaviour by applicants. It is proposed any applicant guilty of unacceptable behaviour listed in this section will be excluded from the register for 2 years.

Banding quotas

- 3.10 Currently we seek to let properties based on a pre-set quota system. This means 25% are let to Emergency homeless applicants, 47% to band A applicants, 25% to Band B and 3% to Band C. It is proposed to amend these to greater reflect higher levels of need and prioritise applicants in Band E and A.
- 3.11 The proposed new quotas are: Band E 30%, Band A 52%, Band B 18% and Band C 0%. Band C applicants will still be able to bid on properties, but will only be offered accommodation where there are no successful bidders from the higher bands. This reflects the fact they are considered to be adequately housed.
- 3.12 Currently it is possible for Band C applicants, albeit on only 3% of properties, to be offered properties over those in higher needs bands. The proposals in paragraph 8.1.4 of the policy amend this.

Bidding and restricting bidding

- 3.13 Over the last couple of years we have been experiencing an increase in the number of applicants who place multiple bids each week on advertised properties and subsequently turn down multiple property offers over a period of time. This impacts significantly on relet times and therefore lost rental income.
- 3.14 Currently there is no consequence to such refusals and the practice is undermining the principles of the Choice Based Lettings System i.e. you only bid on a property you actually want. It is proposed to place restrictions on the number of bids placed per week.

3.15 Paragraph 8.2.5 of the proposed policy seeks to reduce the number of bids allowed to 3 per weekly advertising cycle. Applicants will be allowed to turn down offers of 3 properties in a 6 month period. Having turned down a 4th property they will be suspended from the register for a period of 6 months.

Direct letting

3.16 The current policy allows us to direct let 1% of properties outside of the normal lettings process. This amounts to 2-3 properties per year. This may be a direct letting to an emergency case or where the property has significant adaptations (e.g. through floor lift, wheelchair kitchen). The Service Level Agreement with other Homefinder Landlords states they are each allowed to hold back 5% of properties for direct lettings.

3.17 Paragraph 8.2.7 proposes to increase the direct letting upto 5% bringing it in line with the partner landlords and allowing us greater scope to assist households, for example, who are experiencing financial hardship under welfare reforms. There has been increase in the number of cases where a direct letting would alleviate a particular pressure situation, such as relationship breakdowns and specialist medical requirements where adaptations are required. The increase to 5% (12 properties per annum) would allow further discretion in these situations.

Homelessness and the private rented sector

3.18 The Localism Act 2011 has also amended the 1996 Housing Act to provide local housing authorities with the power to discharge the main homelessness duty by way of a private rented sector offer under section 193(7AA), as enacted on 9th November 2012. Section 193(7F) requires that the local housing authority must be satisfied however that the private rented sector offer accommodation is suitable for the applicant before doing so.

3.19 This amendment has now been included in paragraph 11.2.5 but will not be enacted fully until a landlord accreditation scheme has been set up in South Derbyshire.

Banding

3.20 It is proposed a number of amendments are made to the banding of applicants to prioritise those most in need. Each band contains a number of needs which would match the circumstances of the applicants and effectively place them in either E, A, B or C bands.

3.21 It is proposed to give those residents experiencing housing benefit reductions under the social size criteria reforms greater preference in Band A.

3.22 The new section 166A(7) of the Housing Act 1996, inserted by section 147 of the Localism Act 2011, enacted 24th August 2012, requires us to give additional preference to certain armed forces personnel should they fall in to the reasonable preference categories contained in Band A.

3.23 Paragraph 11.3.2 provides additional priority to those armed forces personnel or their listed partner where they have an urgent need to move.

- 3.24 In section 11.4 of the proposed policy it is proposed to make minor changes to the wording of the Band B criteria to ensure greater clarity to applicants and those staff administering the system. For example the wording around sharing facilities and relationship breakdown has been made clearer as to who will fall in to that category.
- 3.25 As the social size criteria reforms mean households could now receive less housing benefit from 1st April 2013 the property size allocation table in paragraph 12.4 has been amended to reflect this particularly where children are deemed appropriate to share bedrooms. This means that in some cases households will receive a reduction in their bedroom entitlement.

Supported Housing

- 3.26 In paragraph 12.6 the proposed policy seeks to clarify the criteria of who is able to move in to older person's supported Housing. In the current policy the wording is potentially ambiguous and those in receipt of any form of Disability Living Allowance (DLA) are able to bid for these properties. It is proposed to allow bids on supported housing properties to those under 60 if they have higher rate DLA for reasons of mobility only or the mobility component of the new Personal Independence payments.
- 3.27 For example, an applicant under 60 may be wheelchair bound and require a bungalow because of their disability or illness.

Local connection

- 3.28 Currently those applicants without a local connection to South Derbyshire are allowed to join the register but are only allowed to bid on hard to let properties. The Localism Act 2011 allows us implement further restrictions. Therefore it is proposed to only approve applications to join the register from those people who can demonstrate a local connection to the district. This connection would be related to employment or relatives already in the District.
- 3.29 The local connection criteria in paragraph 13.0 has been amended to provide greater clarity, and to include the provision for armed forces personnel.

4. Financial Implications

- 4.1 Once the policy has been approved in principle there will be a number of software changes to action in the management system. These will be costed at a daily rate by the software company. However this can be met from existing budgets.

5. Community Implications

- 5.1 There will be a full and open 4 week consultation process if the draft policy is approved by this committee. Applicants, Tenants' groups and other stakeholders will be able to make comment on the proposed policy.
- 5.2 Any amendments to the banding policy could mean a number of current applicants are either given greater priority or may see a reduction in their banding. All current applications will be reviewed over a 2 month period following the implementation of the amended policy.

5.3 The tightening up of non-qualifying persons in the policy will mean a marginal increase of applicants excluded from the list.

6. Background Papers

6.1 The proposed allocations policy is attached at Appendix A.