

MEETING / DECISION MAKER:	CABINET
DATE:	20 JUNE 2013
TITLE OF REPORT:	HOUSING ALLOCATION POLICY FOR HEREFORDSHIRE
REPORT BY:	ASSISTANT DIRECTOR, HOMES AND COMMUNITY SERVICES

1. Classification

Open

2. Key Decision

This is a Key Decision because it is likely to be significant in terms of its effect on communities living or working in an area comprising one or more wards in the County.

Notice has been served in accordance with Part 3, Section 9 (Publicity in connection with key decisions) of The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012

3. Wards Affected

County-wide

4. Purpose

To note and approve the content of the Housing Allocation Policy for Herefordshire.

5. Recommendation(s)

THAT:

- (a) Cabinet note and approve the revised Housing Allocation Policy for Herefordshire;**
- (b) Cabinet note and agree to the implementation of the revised policy on 1st April 2014;**
- (c) Cabinet agrees that decisions on minor amendments to the policy associated with implementation through the Home Point system be delegated to the Cabinet Member for Planning Environment and Housing to approve;**
- (d) Cabinet agrees that the Cabinet Member for Planning Environment and Housing be given delegated authority to agree amendments to the current allocation policy taking into account the publication of new statutory guidance relating to migrants to the UK.**

6. Key Points Summary

- Under the provisions of the Housing Act 1996 (as amended) every local housing authority in England must have an allocation policy for determining priorities and detailing the procedures that are to be followed in allocating housing.
- When developing the policy, housing authorities must give have regard to their current homelessness strategy and tenancy strategy.
- Herefordshire Council operates a common housing register and choice based lettings (CBL) scheme in partnership with the 9 largest housing associations (HAs) in the County.
- The Localism Act 2011 introduced amendments to Part 6 of the Housing Act 1996, with the main objective enabling housing authorities to better manage their housing waiting lists by giving them the power to determine which applicants do, or do not, qualify for an allocation of social housing.
- The demand for affordable housing in Herefordshire is significantly greater than the number of homes available, and therefore the policy describes the criteria that Herefordshire Council will use to register and prioritise applications for affordable housing in Herefordshire to ensure that households with a recognised need are given access to register.
- The policy must give reasonable preference to
 - All homeless people, as defined in part 7 of the Housing Act 1996 (as amended)
 - People who are owed a duty by any housing authority
 - People occupying insanitary or overcrowded housing or otherwise living in unsatisfactory housing conditions
 - People who need to move on medical or welfare grounds.
 - People who need to move to a particular locality in the district of the housing authority, where failure to meet that need would cause hardship (to themselves or others).
- Therefore it is proposed that, to qualify for registration, all applicants must have:
 1. a local connection (with the exception of armed forces, those fleeing domestic violence, or subject to witness or public protection, and those with care plans that require residency in the county)
 2. must not have sufficient financial resource (income, savings and/or capital assets) to resolve their own housing needs, and;
 3. must be able to demonstrate a housing need by having a reasonable preference.
- Once registered, applicants will be banded according to the level of need and priority. The new scheme will have 3 bands:
 - Green (high need to be housed),
 - Amber (those who have a need to be housed)
 - Red (those who are given a reduced preference)
- Those who are not eligible to be registered will be signposted to the Enhanced Housing Options system and offered advice and assistance on alternative housing options available.

- The Localism Act 2011 relevant provisions also allows local authorities to discharge its homelessness duties into the private rented sector, rather than always through the provision of social housing. Therefore, with the policy proposed, it is anticipated that, over time, the link between homelessness and accessing social rented affordable housing will be broken.
- The policy reinforces that the applicant is responsible for providing any relevant evidence to support their application to ensure correct banding, whilst noting that properties are allocated by individual housing associations and not by Home Point.
- Following approval of the policy, there will be necessary changes to the current choice-based lettings system software and, due to the liaison with external companies in this regard, it is not anticipated this policy will be implemented until April 2014.
- Following the recent announcement that restrictions may be imposed on migrants entering the UK, from January 2014, it is anticipated that both the current allocation policy, and the proposed allocation policy, may need to be amended. There is no information available at this time to provide to members, but statutory guidance is due later in the year.

7. Alternative Options

- 7.1 The Council is required, under Part 6 of The Housing Act 1996 (as amended), to make all lettings and nominations in accordance with a published Allocation Policy, therefore a policy document must be in place.
- 7.2 The Council could continue to operate the current scheme; however this would not reflect changes within the new legislation, to enable best use of the limited available housing stock and resources.

8. Reasons for Recommendations

- 8.1 To ensure Herefordshire Council, together with its Home Point Partners(Housing Associations), can make best use of the scarce affordable housing provision, meet local housing need where households are unable to access the open market. The policy will also help contribute to sustaining communities and confirm that local people have priority in the allocation of housing in the county.
- 8.2 The policy, over time, will break the link between homelessness and access into social housing and promote access into the private rented sector.

9. Introduction and Background

- 9.1 Home Point is a choice-based lettings partnership between Herefordshire Council and the main Housing Associations in Herefordshire. Home Point advertises properties on a weekly basis and enables those accepted onto the register to choose and bid for properties themselves. The Partnership funds the operation of Home Point Herefordshire to maintain the housing register, determine priority amongst those seeking affordable housing in Herefordshire, and advertise properties of member Housing Associations that become available for letting.

- 9.2 A local authority is required by law to have an allocations scheme which sets out how priority is awarded and how properties are allocated to households on the register. The relevant provisions of the Localism Act 2011 has given local authorities greater freedom to set their own policies about who should qualify to register for affordable housing in their area whilst still being obliged to ensure housing is allocated to those most vulnerable and those who need it most.
- 9.3 In response, Herefordshire Council has reviewed its housing allocation policy after the Localism Act 2011 made amendments to Part 6 of the Housing Act 1996 (as amended) and has had regard to the current Homelessness Strategy and Tenancy Strategy.
- 9.4 The changes introduced by the provisions of the Localism Act 2011 mean that authorities will be able to operate a more focused register, which better reflects local circumstances and can be understood more readily by local people. It will also be easier for authorities to manage unrealistic expectations by excluding people who have little or no prospect of being allocated accommodation.
- 9.5 A steering group, consisting of representatives from all key partners, was established to lead on the review, due to the complexity of ensuring the needs of the most vulnerable are met.
- 9.6 A Scrutiny Task and Finish Group was also established, chaired by Cllr Watts to challenge the process of reviewing the policy. The General Overview and Scrutiny Committee (GOSC) have agreed the findings of the Task and Finish Group which supported the direction of the new Housing Allocation Policy as drafted. The Allocation policy now presented was informed by the Scrutiny Task and Finish group alongside the steering group. A number of process related recommendations from the review will be considered by the Cabinet Member and an appropriate action plan will be reported back to scrutiny at a later date. The GOSC process worked extremely well which has enabled the development of an Allocation policy which broadly addresses the expectations and concerns of the stakeholders in its development.
- 9.7 A wide range of stakeholders, including members of the public, partnership organisations, statutory and voluntary organisations were consulted with, to seek their views on who they felt should be eligible to register for housing; together with what they would like to see included within the allocation policy. The policy has been developed within a legal framework whilst still reflecting the views and meeting the needs of the community who have contributed to its development.

10. Key Considerations

- 10.1 The flexibilities provided by the relevant provisions of the Localism Act 2011, provide an opportunity to address issues such as under-occupation, improve stock turnover, and encourage the best use of all affordable housing stock. The Housing Allocation Policy for Herefordshire should enable better use of available housing stock, whilst ensuring those who are unable to access the open market have access to affordable housing, in addition to ensuring adapted properties go to those that seek specialist/adapted accommodation.
- 10.2 The Housing Allocation Policy for Herefordshire has been developed within the context of the Herefordshire Council's overarching strategic objectives for housing, as set out in the Herefordshire and Shropshire Housing Strategy 2012 – 2015 and in consultation with all local affordable housing providers with stock across the county.
- 10.3 Regard has been given to a range of strategies, including Herefordshire Council's current

Homelessness Strategy and the current Tenancy Strategy.

- 10.4 The proposed new Policy acknowledges that the demand for, and indeed need for, affordable housing in Herefordshire significantly exceeds available supply in the County and the revised Policy is realistic in balancing who qualifies against the limited social housing resources available in Herefordshire.
- 10.5 The current housing register allows anyone to register, regardless of need and their current address. At present, there are currently 1823 households registered within the bronze band, who realistically are unlikely to be successful in securing an allocation into social rented housing.
- 10.6 Therefore, to manage the scarce resources, as well as people's expectations, the proposed Allocation Policy has a registration process that only permits those that meet the proposed stepped approached criteria, as stated below, to be accepted and registered.
- a. **Local connection** – Applicants must firstly satisfy the local authority that they have a local connection by meeting at least one of the criteria set out on page 8 and 34 of the policy. Where applicants cannot evidence that they have a local connection they will not be able to apply and will be offered advice and assistance regarding alternative options. Exceptions to the local connection criteria are the armed forces, those who are subject to domestic abuse, public or witness protection and those who have care plans and need to reside in the county.
 - b. **Income, savings and capital assets** – secondly, applicants with a gross annual household income of £45,000 or above and/or have savings/capital assets of £50,000 (for those aged 49 years and younger) or £100,000 (for those aged 50 years or over) will not be able to register as it will be deemed that they will have sufficient resources to access the open market. (It should be noted that where compensation payments have been awarded e.g. on medical grounds, these will be assessed based on their own merit).
 - c. **Reasonable Preferences** – thirdly, The Housing Act 1996 (as amended), requires Local Authorities to provide 'Reasonable Preference' in their Allocation Policy to people with high levels of assessed housing need. The statutory 'Reasonable Preference' category provisions of the Housing Act 1996 (as amended) are:
 1. all homelessness people, as defined in Part 7 of the Housing Act 1996(as amended) (including those who are intentionally homeless and those not in priority need)
 2. people who are owed a duty by any housing authority or who are occupying accommodation secured by any housing authority
 3. people occupying insanitary or overcrowded housing, or otherwise living in unsatisfactory housing conditions
 4. people who need to move on medical or welfare grounds, including grounds relating to disability and;
 5. people who need to move to a particular locality in the district of the housing authority, where failure to meet that need would cause hardship (to themselves or others).

In addition to the statutory preferences above, the council are proposing to use its flexibilities to applicants who are bidding for properties which are subject to a section

S106 Planning Obligation Agreement under the Town and Country Planning Act 1990 (as amended).

6. **Rural Localities** – this applies where there is evidence of an applicant wishing to move to/remain in a parish/village where the population is below 3,000 and the applicant has a local connection to that locality (e.g. living or working in the parish/village).

Local authorities, under the relevant provisions of the Housing Act 1996 (as amended) have the power to grant “additional preference” to particular descriptions of people who fall within the statutory preferences. It is therefore proposed that Herefordshire Council will make use of these powers.

- d. **Additional Preference** – Applicants who are awarded Additional Preference will receive an additional 6 months in waiting time at the point that need has been assessed or date of registration (if need hasn't changed over time). Herefordshire Council will grant additional preference to qualifying Armed Forces personnel and Volunteers. Please note that a clear criterion for each of the above has been set out within the allocation policy.
- e. **Reduced preference** – will be awarded for those applications whose behaviour has resulted in an incident, conviction or court order which has occurred within the last 12 months. Where current rent arrears/money is owed to the local authority/housing association and arrangements have been made to clear the debt and payments are maintained, the reduced preference will be removed as long as the payment arrangements continue.
- 10.7 Once accepted onto the Housing Register, it is proposed that eligible applicants will be placed in one of three bands – Green, Amber and Red, with Green being of high housing need, Amber in need of rehousing and Red with reduced preference. Priority within each banding will be achieved by the amount of time the applicant has been assessed as being in need (under that banding). If the need changes, then the applicant's situation will be reassessed and re-banded and the waiting time being taken from that point.
- 10.8 It should be noted that due to the changes required to the current ICT system by external partners, the implementation of the policy is not anticipated until April 2014. An implementation plan and communication strategy will be developed, once the policy has been approved.
- 10.9 It should also be noted that, whilst every effort has been made to ensure that proposed changes can be accommodated within the current ICT system, it may be necessary to make slight alterations to the policy. Should this be the case, it will be necessary to communicate/consult with all registered social landlords across Herefordshire Council who have nomination arrangements prior to delegated approval being sought.
- 10.10 The most significant changes to the policy are
- Homeless Households will no longer receive priority status and automatically housed into housing association stock. They will be assessed and likely to be banded in the Amber Band. This will not restrict them from bidding, but it is anticipated that an offer of accommodation may be likely through the private rented sector, ahead of an offer of accommodation by a Registered Social Landlord (RSL). This should, over time, break the cycle that only those who are homeless are offered social housing.
 - Priority cards will no longer be awarded. There are 3 bands and applicants are

prioritised within these bands by time waiting. If there is no housing need, they will not be accepted onto the register. If there is a qualifying housing need, this be assessed and banding awarded, at which time waiting time commences.

- Bronze Banding will be removed. No applicant will be accepted onto the register as a safety net. It is anticipated that the implementation of the policy will see a reduction of approximately 40% of those registered.
- Registration and acceptance onto the register will be subject to having a local connection to Herefordshire and where the lack of income/savings is prohibiting the applicant from accessing open market. Those seeking to move to Herefordshire, who have no established local connection, will be provided with advice and assistance to access alternative housing options e.g. private rental or home ownership. Once a local connection has been established, and need changes, any household will be able to apply and be assessed according to the criteria at that time.

- 10.11 Whilst reviewing the current policy, we are currently waiting for revised statutory guidance on the government announcement on proposals to limit access onto waiting lists for migrants to the UK.
- 10.12 Subject to the date of such guidance, it may be necessary to both amend the current allocation policy, to comply with guidance, and revise the draft 2013 policy, presented in this report for adoption. The policy would stay in force incorporating the revised guidance on migrants eligibility, until such time as the new allocation policy outlined in this report is launched when associated ICT are ready.
- 10.13 The proposed new policy complies with the requirements of Section 167(2) of the Housing Act 1996 (as amended). In addition, the Council has embraced the changes to allocation legislation brought about by Sections 145-147 of the Localism Act 2011.
- 10.14 The proposed new policy also takes into account the provisions of the Allocation of Housing and Homelessness (Eligibility) (England) Regulations 2006 (as amended), and reflects the recommendations made within the Allocation of Accommodation Code of Guidance for Housing Authorities 2012, which replaced all previous statutory guidance on Affordable Housing allocations.
- 10.15 The proposed new policy takes into account of the changes to amend the way in which the duty on local housing authorities, to secure accommodation for homeless households, under section 193(2) of the said 1996 Act, can be brought to an end with an offer of suitable accommodation in the private rented sector. This will allow local authorities to end the main homelessness duty with a private rented sector offer, with a minimum of 12 month assured shorthold tenancy.
- 10.16 As required by The Housing Act 1996 (Additional Preference for Armed Forces) (England) Regulations 2012, this policy is framed to give additional preference to applicants who fall within one or more of the reasonable preference categories and are currently serving or who have served within the Armed Forces

11. Community Impact

- 11.1 The Policy will be made available to all members of the public. Herefordshire Council will ensure that the flexibilities applied do not undermine sustainable communities and will ensure that the most vulnerable tenants are provided with the level of stability they require.
- 11.2 The implementation of the policy will be monitored to ensure the diverse needs of all

members of the community are met and not disadvantaged in any way.

12. Equality and Human Rights

- 12.1 This policy will have a positive impact on equality and seeks to address the imbalance between those who can and cannot afford to access housing on the open market by specifically targeting groups of people who are disadvantaged by their economic status.
- 12.2 Equality and diversity issues will be considered when working with partners to implement this strategy, in order to ensure that no group is excluded and to make certain that those who are most vulnerable and in need of help and support, are taken into account.

13. Financial Implications

- 13.1 The approval of the Policy does not commit the council to any expenditure beyond existing budgets and there are, therefore, no financial implications. However the longer term impact of the implementation of the Housing Allocation Policy for Herefordshire should make a positive contribution to health and wellbeing where it enables more appropriate use of housing stock for vulnerable people.

14. Legal Implications

- 14.1 Any Housing Allocations Policy must comply with the relevant statutory provisions of the Housing Act 1996 (as amended) and consequential regulations, as stated in this report.

15. Risk Management

- 15.1 If this policy is not approved Housing Allocation in Herefordshire will continue to be made under the current policy and therefore the freedom and powers introduced within the Localism Act 2011 will not be used within Herefordshire.
- 15.2 The policy will be monitored by the Home Point Board, which meets quarterly, with any issues arising will be raised with the Housing Partnership for Herefordshire, which comprises of the Chief Executives/Directors of the main housing providers across Herefordshire.

16. Consultees

- 16.1 The Housing Allocation Policy for Herefordshire takes into consideration the views expressed following public consultation, discussions with members of the Allocations steering group and members of the Scrutiny Task and Finish group, whilst delivering within a legal framework.
- 16.2 A steering group was set up to undertake the review of the Housing Allocations Policy for Herefordshire, which looked at key issues and options. Membership of the group included housing partners across Herefordshire, Managers from across Council and Policy and Strategy Officers.
- 16.3 Consultation was conducted over a 12 week period from the 3 July 2012 until 1 October 2012. This sought people's views on how they would like affordable housing to be allocated. A total of 361 responses were received from members of the community and interested stakeholders.

- 16.4 A questionnaire was made available in paper and online formats. Paper copies of the questionnaire were distributed to 850 people selected randomly from the 5,000 currently on the housing register. A further 300 paper copies were either left at info centres or requested by phone and posted out. Links to the questionnaire was displayed through the Housing Association websites, with some filling out the questionnaires with their tenants; through the Home Point and the Councils website.
- 16.5 In addition the survey was widely publicised to the general public through 2,500 leaflets, advertising both the workshops and the questionnaire. These were distributed to all info points and some council buildings; libraries; all HALO buildings; youth centres; community halls; the Kindle Centre; all children's centres and various other groups. The consultation was also highlighted to all ward members via the ward members update and to all Parish councils.
- 16.6 Workshops were held in Leominster at Earl Mortimer College and at the Kindle Centre, Hereford where useful information and opinions were obtained. A separate workshop was also held at the Supported Housing for Young People Project (SHYPP). A well attended Ward Members session was held on the 12 September 2012.
- 16.7 The 'Your Community Your Say' interim report (October 2012) identifies a range of priorities and areas for improvement raised by a number of stakeholders, including the countywide theme of affordable housing. The Herefordshire Tenancy Strategy 2012-2015 will assist in addressing a number of concerns raised, including the general confusion regarding the term 'affordable housing'.
- 16.8 The responses to the consultation are attached to this report.

17. Appendices

- 17.1 Housing Allocation Policy for Herefordshire (Draft)
- 17.2 Consultation Report

18. Background Papers

- 18.1 None identified.