

# Executive

## Cherwell District Council Revised Allocation Scheme 2012

5 November 2012

### Report of Head of Regeneration and Housing

#### PURPOSE OF REPORT

To seek approval to adopt a new Allocation Scheme and to endorse the decision to dissolve the Oxfordshire Sub-regional Choice Based Lettings partnership

This report is public
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#### Recommendations

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The Executive is recommended:

- (1) To approve the adoption of the new Allocation Scheme as at Appendix 1 effective from 1 April 2013 subject to required IT changes being completed
- (2) To delegate to the Head of Regeneration and Housing in consultation with the Lead Member for Housing, the authority to amend this effective date, if required
- (3) To approve the Cherwell District Council's exit from the Oxfordshire Sub-regional Choice Based Lettings partnership

#### Executive Summary

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##### Introduction

- 1.1 The Council's Allocation Scheme sets out the rules used to determine who get priority for social housing in the District. Social housing is owned by partner Registered Providers (RPs). By law every Local Authority has to have an Allocation Scheme that must be published and kept under review
- 1.2 The Localism Act 2011 received Royal Assent in 2011 and the allocations and lettings changes contained in the legislation were implemented in full by 18 June 2012. 'The Allocation of accommodation: guidance for local housing authorities in England' was published in June 2012. The Act and guidance provides Local Authorities with significant control over who qualifies for housing, the way the housing register is managed and the priority that can be given to locally determined groups that are assessed as being in housing need.

- 1.3 This report details the proposed changes to Cherwell's Allocation Scheme. The changes will enable the Council to better manage the expectations of those accepted onto Cherwell's Housing Register. The new Scheme also provides greater clarity and transparency in relation to who is to be prioritised for social housing in Cherwell. It will therefore focus those without a realistic chance of gaining a tenancy of social housing towards alternative housing options. It is anticipated this Scheme will lead to a smaller Housing Register in Cherwell and this will enable existing staff resources to be more focussed on those with greatest housing needs. The adoption of this Scheme can help mitigate the pressures the housing department will be facing with the introduction of the impending welfare reforms. It will help to ensure that any applicants successful in gaining a tenancy of social housing are accommodated in the size property that they may qualify to receive benefits for, should they become dependant on welfare benefits. This, in turn, should support the prevention of homelessness. It is anticipated that the demands on the housing needs team will increase significantly as all the welfare reforms are implemented and the adoption of this new Allocation Scheme can assist to provide the level of resources that will be required to meet the new demands arising.
- 1.4 In March 2009 the Council approved Cherwell's entry into a Sub-regional partnership to implement a Sub-regional Choice Based Lettings Scheme in Oxfordshire. A Choice Based Lettings Co-operation Agreement was established which enabled development of the Sub-regional scheme across four districts; Cherwell, South, Vale and Oxford City. This was set up on the basis that central government (at that time) advocated the operation of an open housing register and championed Sub-regional Choice Based Lettings Schemes, providing grants to areas willing to introduce them. The initial Co-operation Agreement expired in July 2012 and now operates on a month by month basis.

The Scheme has been closely monitored by the four Districts participating in the Sub-regional scheme. The monitoring has shown very few moves have actually been achieved across the sub-region. Officers from all districts are agreed that it has provided little benefit to clients who may have needed to move out of their districts urgently and they have needed to use alternative ways to move when they have needed to do so. The operation of the Sub-regional scheme has required the Allocation Schemes in all four Districts to be aligned and a sophisticated IT system has been developed which configures the policies in all four Districts into one system. This has increased IT costs for each District. As the performance of the scheme is low it has therefore proved not cost effective to operate. This has led to local authorities revisiting the business case to continue to provide it. The new government guidance in the Localism Act 2011 and June 2012 Code of Guidance 'The Allocation of accommodation: guidance for local housing authorities in England', gives local authorities more freedom to set their own individual policies. This has also led to all Districts participating in the partnership agreeing to cease the arrangement. The arrangements for joint provision and associated costs will cease and the partnership dissolved. The benefits of this decision should result in longer term reduced IT costs and reduced administration for Cherwell. As the Co-operation Agreement expiry date has been reached it is possible to leave without any penalty. Cherwell remains committed to operating choice based lettings within the district. A growth revenue bid will be needed which will come forward as part

of the budget process to reflect the need to amend IT arrangements

### **Proposals**

- 1.5 To adopt the new housing Allocation Scheme as at Appendix 1
- 1.6 To endorse Cherwell's exit from Sub-regional Choice Based Lettings Scheme

### **Conclusion**

The allocation of social housing is a key strategic duty for the Council. The proposed changes to the Allocation Scheme and subsequent changes to choice based lettings are being introduced in the context of the Localism Act 2011 and subsequent government guidance. They dovetail and align the allocation of social housing to other national changes in the benefits system through the new welfare reforms. It should be noted that the new Allocation Scheme is a major shift in the way the Council operates its Housing Register. It is intended to review and advise the Executive of any further adjustments that may be required to the Scheme 12 months after implementation.

## **Background Information**

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### **2.1 Who must the Council help by law in its Allocation Scheme?**

The Council is by law required to give priority to households who attract 'reasonable preference'. The definition is set out in legislation and remains the case following the amendments introduced by the Localism Act. The 'reasonable preference' category of applicants includes homeless households, overcrowded households, households otherwise living in unsatisfactory housing conditions and people needing to move on medical or welfare grounds. Under the Localism Act the Council can now discharge a homelessness duty into the private rented sector, rather than through an offer of social housing. This will be subject to private sector properties becoming both available within the District and offered at an affordable rent.

The Act enables the Council to change its criteria for entrance onto the Housing Register. Under the new Localism Act 2011, the Council can determine its own criteria, subject to that set out in existing legislation which relates to immigration status and to any additional regulations which the Government has power to make in relation to eligibility. This has enabled the Council to operate a change of approach to allocations and restrict applications to the Housing Register. In future there will be a three stage test

- Eligibility
- Qualification
- Reasonable preference

### **2.2 Eligibility criteria, qualification and reasonable preference**

At present anyone can go on the Council's Housing Register. Most have little or no prospects of securing social housing. Currently households with no priority for

housing and consequently no real prospects of re-housing in Cherwell are registered in Bands 4 or 5. There are around 2,800 households in these two bands out of a total register of just over 4,000 applications. Removal of these bands will result in efficiency savings (i.e. the current cost of processing and managing these applications and the customer contact time with people who have no prospects would be reduced).

The only households that are successful from these bands are applicants for elderly person sheltered accommodation or extra care or those with very particular village connections.

The new policy will only allow households which qualify and who are assessed as having reasonable preference to join the Housing Register.

## **2.3 Those who will not qualify**

### **2.3.1 Homeowners or those with sufficient financial resources**

Anyone owning their home will not be allowed to join the Register. £60k is set as sufficient financial resources – this is the top level of income, capital or assets that will be allowed before applications are disqualified from the Register. This is the maximum household income allowed before applicants are precluded from purchasing shared ownership products. Exceptions may be people who have medical needs to move to specific types of properties if their own resources cannot provide a solution to meet their needs.

### **2.3.2 Unacceptable behaviour or rent arrears where applicants owe over 8 weeks rent**

Anti-social behaviour and relevant criminal convictions will preclude applicants from Cherwell's Housing Register. Unacceptable behaviour is defined as behaviour which would, if an applicant or member of their household was a secure tenant, entitle the landlord to possession under any grounds 1 to 7 of the Housing Act 1985. Applicants with unacceptable behaviour will be initially disqualified for 12 months. An applicant can reapply at any time for their situation to be reviewed. Applicants disqualified for rent arrears can be reviewed at their request once they can prove any arrears are reduced to less than 8 weeks of rent due.

### **2.3.3 Those who refuse a suitable offer from the Register**

Applications will be closed where:

- Statutory homeless households refuse 1 (one) suitable offer of accommodation
- Time limited priority applicants who refuse 1 (one) suitable offer of accommodation
- Applicants who are not restricted in their bidding but refuse 3 offers of accommodation in a period of 6 months

### **2.3.4 No Housing Needs**

If applicants do not meet the criteria for Bands 1 - 3 with reasonable preference their application will be closed. Any applicants who are not eligible or do not qualify, following a full assessment at the point of application, will have their records kept for strategic purposes. They will be offered advice and assistance regarding all alternative housing opportunities including shared ownership, first buy, HomeBuy, self build and private sector

renting.

### **2.3.5 No Local Connection – exception being Armed Forces**

In order to meet increasing local needs the scheme will restrict access to the Housing Register to people who have a local district connection to Cherwell or who are accepted as statutorily homeless by Cherwell District Council. Members of the Armed Forces will be allowed to join Cherwell's Housing Register in line with the new government guidance and local military compact.

### **2.4 Reasonable Preference**

The scheme will operate a needs based banding scheme to reflect housing need with the highest band reflecting the greatest need to move. There are 3 bands

**Band 1** - Urgent need to move due to Reasonable Preference

**Band 2** - Significant need to move due to Reasonable Preference

**Band 3** – Moderate need to move due to Reasonable Preference

Details of the banding reasons can found in the full document. The Scheme also includes a matrix to assess and make awards for social, welfare and hardship reasons and a medical matrix will be used in conjunction with the Council's medical form.

### **2.5 Registration dates**

It is proposed to have a three band classification, applicants moved into a lower band due to a change in their circumstances would retain the date at which they were first registered, so as not to lose priority.

However, applicants moved into a higher band would have their registration date changed to the date on which their circumstances changed, so as not to undermine the priority of applicants already in that particular band.

### **2.6 Time Limited priority**

There will be new rules that restrict statutory homeless households to receive one offer of suitable housing only. Auto bidding using the Council's computer system will ensure that households can be linked to properties which they are eligible for and will meet their needs as quickly as possible.

### **2.7 Property size and type**

The government has made significant changes to the overcrowding rules through the welfare reforms and the new Allocations of accommodation: guidance for local housing authorities in England. Cherwell's policy adopts these standards. Changes are significant and will affect a number of applications. The new rules state children of opposite sexes can share until they reach age 10 years and children of the same sex can share until they are aged 21 years.

### **2.8 Other issues**

The new Scheme provides clarity on local lettings policies and when they can be used. It also makes provision for applicants willing to participate in education, employment and training to receive a head start for 30% of lettings annually. It has also duly considered and become more flexible in the way it will monitor other housing pathways. We will not longer require applicants to be join Cherwell's Housing Register to apply for shared ownership, shared equity or first buy products making these application processes more clear and streamlined.

## **2.9 Right to Review**

A Review Procedure will be established and publicised within the Allocation Scheme. Any review must be considered on the basis of policy, law and known fact at the date of the review.

Reviews will be carried out by a senior member of staff at Cherwell District Council who was not involved in the original decision.

It is anticipated that there will be a significant increase in the number of requests for review that may be received due to the new rules and restrictions on who can qualify to join Cherwell's Housing Register. It will be vital for the Council to establish effective and robust review processes which may in turn place further pressure on the Housing Needs team.

## **2.10 The Consultation Process**

Any major change in the Allocation Scheme gives rise to a requirement to consult, although formally there is only a requirement to consult the Registered Providers (Housing Associations) in the District. The Code of Guidance issued by the Government recommends that the consultation process should involve local communities more broadly. The collated feedback from stakeholders is contained in Appendix 2 of this report.

## **Key Issues for Consideration/Reasons for Decision and Options**

- 3.1 The Allocation Scheme proposals ensure Cherwell has a robust policy which meets the Council's statutory duties and follows legal requirements. It will also ensure existing levels of staffing can re-focus to deliver more housing advice to meet increased demand for services and keep to a minimum the numbers of people who may become homeless and require statutory duties from the Council.
- 3.2 The proposal to withdraw from the Sub-regional Choice Based Lettings Scheme support the revised Allocation Scheme to be introduced. By leaving the Sub-regional Scheme, Cherwell will be free to make any further changes to its policy independently and more easily as may be required in future.

The following options have been identified. The approach in the recommendations as at Option 1 is believed to be the best way forward. The option to accept some of the recommendations is not included as the recommendations are mutually dependent.

**Option One** To accept all the recommendations as set out in the report and in doing so support Cherwell's exit from Sub-regional Choice Based Lettings Scheme and establish the new Allocation Scheme

**Option Two** To accept none of the recommendations

## **Consultations**

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Extensive consultation has taken place with partner Registered Providers, statutory and voluntary agencies, customers and staff. Please see Appendix Two

## **Implications**

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**Financial:** A growth revenue bid will be required to implement this new Allocation Scheme but the exit from the Sub-regional Scheme should provide longer term benefits to the Council through a reduction in IT costs. The likely outcome of the Allocation Scheme changes will be a significant reduction in the number of people on Cherwell's Housing Register. This should mean existing levels of staffing can be re-focussed to deliver more housing advice to meet increased demands for services and to keep to a minimum the numbers of people who may become homeless and require a statutory homeless duty from the Council. History shows us the huge expense of homelessness in our District and as a result these budgets will be closely monitored.

Comments checked by Karen Curtin, Head of Finance and Procurement 01295 227936

**Legal:** External legal advice is being sought and will be presented to Members at Committee.

Comments checked by Nigel Bell, Team Leader – Planning and Litigation 01295 221687

**Risk Management:** Cherwell has looked at examples of best practice elsewhere in the Country. It has taken soundings from National Professional bodies and has sought external legal advice. It has also taken account of the impending welfare reforms and thus acts to mitigate the risk of these reforms upon residents in Cherwell.

Comments checked by Gavin Halligan-Davis, Community and Corporate Planning Manager 01295 221563

**Equality Impact Assessment** A full Equality Impact assessment (EIA) relating to Cherwell's proposed Allocation Scheme has been undertaken. The EIA has covered all the operational matters relating to the Scheme. The adoption of this new Scheme will be a major shift in the allocation of social housing properties in Cherwell and will be reviewed for any unintended consequences during the first 12 months of implementation.

Comments checked by Caroline French, Equalities and Diversity Officer 01295 221586

## **Wards Affected**

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All

## Corporate Plan Themes

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**District of Opportunity**  
**An accessible and value for money Council**

### Lead Member

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**Councillor Debbie Pickford**  
**Lead Member for Housing**

### Document Information

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<b>Appendix No</b>	<b>Title</b>
Appendix 1	Allocation Scheme 2012
Appendix 2	Consultation Report
<b>Background Papers</b>	
None	
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