



Cabinet Meeting

23 July 2014

Report title	2014 Housing Allocations Policy Review Part 1	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Peter Bilson Economic Regeneration and Prosperity	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All	
Accountable director	Tim Johnson, Education and Enterprise	
Originating service	Housing Services	
Accountable employee(s)	Kenny Aitchison	Service Manager Housing Strategy and Development
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Report to be/has been considered by	N/A	

Recommendation(s) for action or decision:

The Cabinet is recommended to:

Approve changes to the Allocations Policy in response to local housing need, making best use of stock and best practice relating to Welfare Reform and the Localism Act 2011 to:

- Relax the of policy regarding allocation of three bedroom houses
- Change the residency qualification to two years
- Ensure that single parents are not required to share a bedroom with children
- Withhold or refuse a successful bidder on exceptional circumstances

Recommendations for noting:

The Cabinet is asked to note:

That consultation on further proposed amendments to the Allocations Policy is under way and that a further report will be brought to Cabinet on September 2014.

1.0 Purpose

- 1.1 The purpose of this report is to approve proposed changes to the Allocations Policy which has been reviewed in light of new legislation and best practice relating to Welfare Reform, the Localism Act 2011 and making best use of stock.

2.0 Background

- 2.1 Local Authorities are required by the Housing Act 1996 to have a scheme for determining priorities, and the procedure to be followed, in allocating housing accommodation both to first time applicants and transferring tenants including nominations to Registered Providers (Housing Associations) – The Allocations Policy.
- 2.2 The aim of the Allocations Policy, whilst meeting legislative requirements, is to make best use of the limited supply of social and affordable housing becoming vacant each year by providing a simple, transparent priority system based on clear criteria which determines an applicant's place within the allocations scheme.
- 2.3 It is considered to be good practice to regularly review allocations policies. This is done to ensure that they reflect current trends in local housing need and recent changes in legislation. It is particularly important at present to review the Allocations Policy regularly as the impacts of the Welfare Reform Act 2012 are not yet fully understood.
- 2.4 The Council last reviewed its Allocations Policy in early 2013, with Cabinet approving a number of recommendations at its meeting on 5 March 2013.
- 2.5 Since these changes were implemented additional guidance has been issued by the Department of Communities and Local Government, there have been further impacts of Welfare Reform and the Council and its managing agents have continued to improve the way properties are allocated.
- 2.6 In the last 12 months since the last review of the Allocations Policy, activity within the Council's choice-based lettings scheme – Homes in the City – has increased. Some performance headlines are listed below.
- 1,925 voids an increase of 189 on previous year
 - 1989 re-lets an increase of 290 on previous year
 - 25 days average re-let time
 - 86.48% tenancies accepted at first offer
 - 34.7% of transfers released an under occupied home
 - 288 moves have taken place via a mutual exchange
 - 7,380 new applications for housing have been received
 - 127,489 bids made
 - average of 64 bids per property

- 2.7 To address all the issues it is proposed to conduct two reviews, each covering different aspects of the Allocations policy. The first part, detailed below in paragraph 3, recommends a number of minor amendments following consultation with the Council's Housing Options team, Wolverhampton Homes Board, the Tenant Management Organisations and Wolverhampton Federation of Tenants.
- 2.8 The second part will look at reviewing the age classification of flats across the city in line with recent equalities legislation and address further issues that are emerging in relation to proposed changes to benefit entitlement and from the Anti-social Behaviour, Policing and Crime Bill.

3.0 Proposed changes to the Allocations Policy

- 3.1 Relaxation of policy regarding allocation of three bedroom houses.
- 3.1.1 It is proposed that the eligibility criteria regarding allocating three bedroom houses is relaxed in response to changes in demand resulting from Welfare Reform that have meant that three bedroom houses are now being allocated in increasing numbers to applicants with no housing need. Although in the past they would have little or no chance of being offered such a property, it would be at the detriment of those who are most in housing need and is against the spirit of the Allocation Policy and statutory guidance which states that social housing should go to people who genuinely need and deserve (it) (DCLG, 2012)
- 3.1.2 One of the key elements of the Welfare Reform Act 2012 was to introduce the 'removal of the spare room subsidy' that limits Housing Benefit for households that are deemed to have more bedrooms than they require. Households that are under-occupying by one bedroom lose 14% of their housing benefit (an average loss of £10.65 per week for Wolverhampton tenants).
- 3.1.3 Increasing numbers of three bedroom properties are becoming void as tenants downsize to more affordable accommodation. 64 more three bedroom properties became void between April and September 2013, than during the same period in the previous year.
- 3.1.4 Alongside this increase in voids, despite there being 1,290 families on the housing register requiring three bedroom properties, bidding has dropped and as a result fewer are now being allocated to households in housing need – Bands 1, 2 and 3. Between April – September 2013, 51 more three bedroom houses were allocated to applicants in Band 4 (the band that indicates less housing need) than in the same period the previous year. By relaxing the eligibility criteria for allocating three bedroom houses, it is hoped that the number of households in housing need who can be allocated a three bedroom home will increase.

3.1.5 The proposed changes to the eligibility criteria for the allocation of three bedroom homes are to allow these properties to be allocated to:

- families with children of the same sex where one is 15 years old (current policy is 16 years)
- families with children of the opposite sex where one is 9 years old (current policy is 10 years)

3.1.6 Applicants who are allocated a three bedroom home as a result of this amendment will still be liable to be charged for a shortfall in rent as they will be considered to be under-occupying if receiving housing benefit. Applicants will be made fully aware of any liability for rent shortfall and steps will be taken to ensure that they can meet this shortfall.

3.2 Change the residency qualification to two years

3.2.1 Recent guidance from Department for Communities and Local Government (Providing social housing for local people, December 2013) states that:

“The Secretary of State believes that including a residency requirement is appropriate ... a reasonable period of residency would be at least two years.”

3.2.2 The current Allocations Policy places all households who have not lived in the city for at least 12 months and who have no emergency or urgent need to move on social or medical grounds in Band 4. They can be considered for an allocation but other applicants in the higher bands (Emergency and bands 1- 3) will be considered before them. In response to this guidance it is proposed that the residency qualification is changed to two years. This will impact on approximately 400 applicants who are currently on the housing register but have been in the city less than two years.

3.2.3 People who have not been resident in Wolverhampton for two years will still be able to apply to go onto the housing register but will be assessed as having lesser preference.

3.2.4 It is proposed that there will still be exemptions for applicants to whom the Council has a statutory duty or who have an emergency or urgent to move to the city on medical and social grounds and will now also include those that have found employment in the city

3.3 Ensure that single parents are not required to share a bedroom with children

3.3.1 The way the current Allocation Policy operates, an unintentional inequality has been created. Single parents are treated differently in the Choice Based Lettings (CBL) system banding which means that they could be required to share a bedroom with a child, whereas two parents would not be. This inequality will be addressed to ensure that single parents are not disadvantaged.

3.4 Withhold or refuse a successful bidder on exceptional circumstances

3.4.1 This amendment to the Allocations Policy seeks to add a clause that allows an offer to be withdrawn or refused in exceptional circumstances. This decision would only be made following a case conference to discuss the application. Examples where this may be appropriate would be where a perpetrator of domestic violence would be housed close to a previous victim, or if there was evidence from professionals that the property would not meet the applicant's particular support needs.

4.0 Future work on reviewing the Allocations Policy

4.1 Review of the age designation of flats

4.1.1 During the 2013 review, the Equality Analysis of the Allocations Policy identified that there was no consistency or rationale to the age designation of flats. This has led to a number of blocks historically being designated for particular age groups with the reasons why now often difficult to justify. It concluded that a review of the age designation of blocks was required which would develop a rationale and result in the removal of such designations in some instances. This is in order to comply with equality legislation to prevent applicants potentially being discriminated against because of their age.

4.1.2 A review of all the blocks of flats and their age designation is now under way. A further report will be presented to Cabinet on 10 September 2014 which will seek approval of the methodology for removing, amending or retaining age designations. This will be followed by a process of consultation with residents of the age designated blocks to determine if any age designations can be justified or needs to be removed. The outcome of this consultation will recommend either the age designation is removed, maintained or amended for each block.

4.2 European Economic Area nationals without access to housing benefit

4.2.1 The Government has recently implemented a number of measures to limit access to United Kingdom mean-tested benefit for nationals of European Economic Area (EEA) countries whose right of residence in the UK is based on their status as a job seeker. Since 1 January 2014, an EEA national entering the UK to seek work have been unable to claim income-based Jobseeker's Allowance (JSA(IB)) until they have been resident here for three months. From 1 April 2014, the reforms have been extended (The Housing Benefit (Habitual Residence) Amendment Regulations 2014), so that even if an EEA job seeker is entitled to JSA(IB), they will not be able to access housing benefit.

4.2.2 This situation may result in an EEA national being eligible for council housing and successfully bidding to be allocated a property but without the means to afford the property if receiving JSA(IB) but not Housing Benefit. The Council's allocation policy does not allow the withdrawal of an offer of accommodation, solely on affordability.

4.2.3 The full implications of these amendments to housing benefit entitlement for EEA nationals are not yet fully understood yet and further work is required and will be reported back to Cabinet in September 2014.

4.3. Amend the criteria for Exclusions to include the new anti-social behaviour powers resulting from the Anti-Social Behaviour, Crime and Policing Act.

4.3.1 The Anti-Social Behaviour, Crime and Policing Act 2014 gives landlord's powers to deal swiftly with the most serious anti-social behaviour committed by their tenants. A further review of the Allocations Policy in conjunction with the Council's anti-social behaviour service will consider options relating to the use of these powers and report back to Cabinet in September.

4.4 Review of "Appeals and Reviews" section of the Allocations Policy

4.4.1 Section 32 of the Allocations Policy sets out the procedure for applicants to seek a review of their assessment for housing and how they can appeal against a decision. This section will be reviewed to ensure that it is consistent with best practice and would withstand scrutiny.

5.0 Financial implications

5.1 This report has no direct financial implications. However there may be a small increase in Wolverhampton Homes resources required to support tenants who may be liable to make a contribution to their rent as a result of this policy change. These costs will be contained within existing human and financial resources.
[CF/02062014/S]

6.0 Legal implications

6.1 The Council as a Local Housing Authority is required to allocate housing accommodation in accordance with Part VI of the Housing Act 1996. Section 167 of the Act requires the Council to have an allocation scheme and to allocate housing accommodation in accordance with the scheme.

6.2 Sections 145-147 of the Localism Act 2011 were brought into force on 18 June 2012 by the Localism Act 2011, which extends the discretion Local Authorities have in relation to their housing allocation policies.
[RB/03062014/U]

7.0 Equalities implications

7.1 A full equalities analysis is being undertaken with the outcomes being addressed as they arise to ensure that any potential adverse implications are identified and mitigated.

8.0 Environmental implications

8.1 No environmental implications have been identified.

9.0 Human resources implications

9.1 No human resources implications have been identified.

10.0 Corporate landlord implications

10.1 This report has positive implications for the Councils' position as a corporate landlord as it will improve the way that council housing stock is allocated.

11.0 Schedule of background papers

11.1 Report to Cabinet 5 March 2013 – Housing Allocations Review.

11.2 Housing Allocations Policy March 2013