



Derby City Council

**PLANNING HOUSING AND LEISURE
OVERVIEW AND SCRUTINY BOARD
13 November 2012**

ITEM 10

Report of the Strategic Director of Adults,
Health and Housing

Housing Allocations Policy

SUMMARY

- 1.1 A new Allocations Policy was agreed in April 2011. It was not been fully implemented. Due to the complexities arising from the changes to the Policy, a live date of January 2012 was originally anticipated. However, in mid/ late 2011 the Government announced that there would be changes to the guidelines governing allocations policies as a result of the introduction of the Localism Act. A decision was made to review the Allocations Policy again when the Localism Act came into force and to implement some already agreed key changes in the policy in October 2011.

The Allocations policy we are currently working to is shown at appendix 2

- 1.2 The Department of Communities and Local Government issued new guidance to Local Authorities on the Allocation of Social Housing in June 2012.
- 1.3 The Localism Act 2012 received Royal Assent on the 15 November 2011 and will be enacted through a series of statutory instruments
- 1.4 The Act changes the law on allocating housing to enable the local authority to set their own housing allocations policies.
- 1.5 The Act introduces significant changes to local authority's duties to people for whom we have accepted responsibility for, under homelessness legislation.
- 1.6 Further changes to the allocations policy are required to take account of the Welfare Reform Act 2012.

RECOMMENDATION

- 2.1 To note the proposed Housing Allocations Policy, set out in appendix 3.

REASONS FOR RECOMMENDATION

3.1 To inform PHL Members of the proposed changes to the Housing Allocations Policy.

SUPPORTING INFORMATION

- 4.1 The following changes to the existing policy were made and implemented in October 2011. These changes were :
- The number of bids applicants could make each week was changed from six to three.
 - If an applicant unreasonably refused three offers of housing they lost their priority and were placed in band C for a six month period.
 - The statutory overcrowding need was removed from the emergency band
 - Applicants in band C were to be assessed in date order.
- 4.2 From January to March 2012 the Department for Communities and Local Government consulted with Local Authorities on allocations guidance and the impact of the Localism Act 2012.
- 4.3 In drafting up a new allocations policy, the law relating to allocations still requires the local authority to give a “reasonable preference” to certain categories of applicants. These are:
- People who are homeless or owed a homeless duty
 - People living in overcrowded housing
 - People occupying insanitary or otherwise living in unsatisfactory housing conditions
 - People who need to move on medical grounds
 - People who need to move on welfare grounds
- 4.4 The new provisions under the Localism Act give the authority the freedom to determine who can qualify to go onto the housing register. This means the local authority no longer needs to have an ‘open housing register’ where anyone who applies for housing is considered and an application taken.
- 4.5 The main changes from the current policy, to the new policy are as follows:
- Introduction of a Non Qualifying Persons criteria
 - Reduction from 4 bands to 2 bands
 - Advertising available properties on a daily basis rather than a weekly basis
 - Changes to the property size eligibility criteria to take account of the welfare reforms
 - Advertising low demand properties on a “Open to All” basis via Derby Homefinder
 - The introduction of a housing need for community contribution
 - The introduction of a housing need for Ex Armed Forces Personnel
 - Changes to how homelessness duties can be discharged.

- 4.6 The introduction of the “Non Qualifying” person’s criteria enables the local authority to take applications for housing, from applicants, who are likely to receive an offer of housing, rather than accepting applications from everyone. Currently, we have 7,000 people on the housing register, with approximately 1400 properties being let each year. In taking a housing application it raises an applicant’s expectation that they will be made an offer of housing, whereas in reality this is simply not the case.
- 4.7 In addition to raising people’s expectations there is the additional cost to the local authority in administering and processing housing applications. Given the current climate, and cuts to budgets, we need to find new ways to work which are more effective and efficient. The proposal is to introduce a category of “non qualifying persons” within the policy. This will detail people who we will not take an application from, as they are not likely to ever receive an offer of housing. This will be determined through a housing options interview or a self service options advice portal.
- 4.8 The portal will enable customers to self serve to assess themselves if they are eligible to register for housing. If they are not eligible it will advise customers the reasons why they are not eligible and give them housing options, one of which will be to apply for ‘Open to All’ properties. An interview will be available to anyone approaching for housing advice and for customers who do not have access to the self serve portal This will ensure we are meeting our statutory requirements, to provide housing advice, to any resident in the city, and will provide customers with details of all housing options available to them including housing in the private rented sector.
- 4.9 The proposal to change the advertising of properties from weekly to daily provides a more efficient and effective process for the Derby Homefinder landlords, as their properties will be advertised each week day, and short listing will occur on different days of the week. Currently the process is to advertise properties once a week, on a Wednesday, which means the landlords, are required to provide all details by Tuesday night. Usually tenants terminate their tenancies on a Monday; and therefore the Homefinder landlords only have one day to advertise their available properties on the website. If they miss the Tuesday deadline, they have to wait for the following Wednesday before the property can be advertised. This can result in rent loss for the landlord.
- 5.0 In terms of short listing for available properties, landlords shortlist every Wednesday, and this is a resource intensive. The landlords would prefer that this activity is spread throughout the week. This would enable the Derby Homefinder service to be more aligned with the normal estate agency approach, which customers are familiar with.
- 5.1 The proposal to reduce from 4 bands to 2. Currently we have four bands, the Emergency Band, Band A, Band B and Band C. The Emergency Band is for applicants we owe a statutory homeless duty to, and as such, we are duty bound to find them an offer of suitable permanent accommodation. This will remain the case under the new policy. Band A and B would effectively, be combined, into one housing needs band, and will contain the groups of people we have to afford a “reasonable preference” to under the legislation. The C band will be deleted altogether.

- 5.2 As of June 2012, there were approximately 1738 applicants registered for housing with no housing need, (Band C applicants) It takes time to register and process housing applications around 30 – 40 minutes per application. Based on these figures, staff have spent at least 869 hours registering applications from people who rarely get an offer of housing. In addition to registering and processing their applications, we also spend time responding to enquiries and reviewing applications. This is wasting time and resources, which could be more effectively, spent providing customers with housing need interviews, where their housing circumstances can be discussed fully and all housing options explored with them. It is difficult to estimate the amount of money that will be saved by taking this approach, but at the same time as drafting this new policy, we are developing the Derby Homefinder IT system which will lead to efficiencies by enabling:
- us to respond to customer queries via email rather than by letter.
 - Customers to Access Self Service housing options software – which will tell customers if they are eligible to apply for housing. If they are not eligible, it will tell them why, and advise them of other housing options, saving valuable face to face resource time.
- 5.3 It is envisaged that all these changes will see efficiencies for the service, staff, and customers and at the same time improve the customer experience and reduce avoidable contact.
- 5.4 From April 2013 the Government is reducing the amount of Housing Benefit some people can claim. These changes mean that some people will get less benefit than they did before. The proposed policy takes account of these changes by allowing people to bid for properties that housing benefit will pay for, as well as properties that are larger than housing benefit will cover. The landlords may bypass applicants for properties unless, they can evidence, and the landlords are satisfied that the applicant has the financial resources to make the full rental payment and not fall into rent arrears.
- 5.5 Within the new policy we propose to advertise low demand properties on an “Open to All” basis. All the properties advertised through this will have been advertised on the Derby Homefinder website first. If they are not let, then they will be advertised through the “Open to All” routes. This means that applicants who are not eligible to go on the housing register but who would still like to access a social housing tenancy will have the opportunity to be offered one. It will also reduce void loss for the landlords.
- 5.6 The introduction of the community based contribution need is introduced following the governments new guidance on allocations. This enables applicants who make a contribution to the community, through either work, volunteering or providing unpaid care and support to a person in the community, and who meet one other housing need under this policy.
- 5.7 Ex armed forces personnel who have served in the British Armed Forces will be awarded a housing need. This is encouraged as in the new allocations guidance.

5.8 The Act introduces a significant change to local authority's duties, to people for whom they have accepted a statutory homeless duty. The authority can now discharge, i.e. fulfil, their duty, by an offer of rented accommodation from a private landlord, without the agreement of the applicant. The private tenancy must be for a minimum term of twelve months, and would need to meet the other requirements of suitability currently applied to offers of social housing. These changes to the homelessness legislation will give local authorities freedom to make better use of good quality private rented sector accommodation. The Act includes protection to ensure, that the accommodation in the private sector will be available for a sufficient period of time to provide certainty for households. The assured short hold tenancy must be for a minimum fixed term of twelve months, and if the applicant becomes unintentionally homeless again within two years of accepting the private rented sector offer, the main homeless duty will recur regardless of priority need.

Changes to the Housing Allocations Policy have been widely consulted on with housing providers, customers, councillors and other stakeholders. Consultation was via two consultation events on 27 September 2012 and a online survey on the Councils website. The proposed policy has taken account of the outcomes from this consultation. Results of the consultation are at appendices 4 and 5.

OTHER OPTIONS CONSIDERED

5.1 Continue with the current allocations policy. However, this would prevent efficiencies to be made to our current ways of working; increase expenditure on temporary accommodation, reduce our ability to house homeless applicants in their preferred areas, reduce the ability for customers to self serve and increase avoidable contact. This may also jeopardise the Derby Homefinder partnership, as the landlords have requested that a number of these changes are implemented.

This report has been approved by the following officers:

Legal officer Financial officer Human Resources officer Service Director(s) Other(s)	Not Applicable Not Applicable Not Applicable Brian Frisby Cath Roff
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For more information contact: Background papers: List of appendices:	Lisa Callow 01332 256487 lisa.callow@derby.gov.uk None Appendix 1 - Implications Appendix 2 – Current Housing Allocations Policy Appendix 3 – Proposed New Allocations Policy Appendix 4 – Consultation Results from Consultation Day on 27 September 2012 Appendix 5 - Consultation Results from On-line Survey
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IMPLICATIONS

Financial and Value for Money

- 1.1 Costs will be contained within current budgets

Legal

- 2.1 The Localism Act 2012 requires local housing authorities to have an allocations policy in place which takes account of the reasonable preference groups included within the act.

Personnel

- 3.1 None

Equalities Impact

- 4.1 An equalities impact assessment has been carried out.

Health and Safety

- 5.1 None

Environmental Sustainability

- 6.1 None

Asset Management

- 7.1 None

Risk Management

- 8.1 None

Corporate objectives and priorities for change

- 9.1 The new policy will provide improved customer service and a more transparent system.

