

## Wiltshire Council

### Cabinet

21 November 2013

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**Subject:** Wiltshire Council's New Allocation Policy

**Cabinet member:** Councillor Keith Humphries - Housing

**Key Decision:** Yes

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#### Executive Summary

To report to Cabinet on the outcome of our consultations and recommend they adopt a new allocation policy for Wiltshire which confirms how we will allocate affordable housing from April 2014.

#### Proposal

**That Cabinet:**

**Approve the new Allocation Policy to be implemented from April 2014 and delegate to the Associate Director for Adult Care Commissioning, Safeguarding and Housing any necessary final minor amendments in consultation with the Cabinet member for Public Health, Protection Services, Adult Care and Housing.**

#### Reason for Proposal

The Housing Act 1996 Part VI (as amended by the Homelessness Act 2002) and Localism Act 2012 requires the Council to have a scheme which determines how allocations and nominations will be made. In Wiltshire we operate a Choice Based Lettings policy called Homes4Wiltshire which was adopted shortly before unitary.

The purpose of the Council's Choice Based Lettings Policy is to set out clear guidelines to ensure that affordable housing is allocated fairly and according to an applicants' need for housing while at the same time taking into account effective management of the affordable housing stock across Wiltshire. Following the introduction of the Localism Act we had the opportunity to review our allocations policy to consider some of the new freedoms that the act introduced. Following extensive consultation we have proposed some fundamental changes to our policy and have taken full advantage of our new freedoms to ensure we make best use of our limited affordable housing stock and give priority to local people.

**James Cawley, Associate Director Adult Care and Housing**

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## **1 Purpose of Report**

1.0 The purpose of this report is to seek approval from Cabinet to approve a new allocation policy for Wiltshire

## **2 Relevance to the business plan**

2.0 The proposed new allocation policy should help to deliver on the council's vision to create stronger and more resilient communities by focusing on local homes for local people. This will also help bring communities together to enable and support them to do more for themselves which is a key priority within the plan

## **3 Background**

3.0 The Council holds a Housing Register of those wanting to be considered for affordable housing from which nominations are made. There were 18,995 applicants on the Housing Register at 25<sup>th</sup> October 2013 of which 8,378 had no identified housing need and would be considered as households who have a desire to move, but are currently suitably housed. We also have 5,408 who were identified as having a low need for re-housing, with only 238 households in our highest band. The Housing Register allows households to be considered for properties owned by over 32 housing providers. We would always encourage all housing providers to include all their properties in the Choice Based Lettings scheme whether they are subject to nomination rights or not.

3.1 The Council receives around 2,200 nominations a year. The majority of applicants on the Housing Register therefore will not be nominated or referred for a vacancy. It is important therefore that our policy is able to clearly identify those in the greatest housing need and minimises the level of time taken to assess applicants that are not going to receive active consideration for vacancies. This will free up time for the Council to offer a more comprehensive housing advice and options service to help applicants find housing.

3.2 Following the introduction of the Localism Act we had the opportunity to review our allocations policy to consider some of the new freedoms that the act introduced, but also take into consideration the DCLG proposed guidance for

allocations produced in October 2013. Our policy is framed so as to secure that 'reasonable preference' is given to certain categories of housing need. The reasonable preference categories include:-

- a) People who are homeless (within the meaning of Part 7)
- b) People who are owed a duty under s190(2) (homeless, priority need but intentionally homeless); s193(2) (full homelessness duty); s195(2) (threatened with homelessness and in priority need) or s192(3) (homeless but non priority)
- c) People occupying insanitary or overcrowded housing or otherwise living in unsatisfactory housing conditions
- d) People who need to move on medical or welfare grounds (including any grounds relating to a disability)
- e) People who need to move to a particular locality in the district of the authority, where failure to meet that need would cause hardship (to themselves or to others)

3.3 In adopting any new policy we must ensure that the following principles are applied:-

- Allocations should only be made to those who are eligible
- Every local authority must have an allocation scheme for determining priorities with clear procedures in allocating accommodation
- The scheme must include a choice of housing accommodation or the opportunity for the applicant to express preference about their housing accommodation
- The scheme should be framed so as to secure reasonable preference
- We must have regard to our Homeless Strategy and Strategic Tenancy Policy
- Before adopting a new scheme all housing providers should be consulted, allowing a reasonable opportunity to comment on the proposals
- We must not allocate housing accommodation except in accordance with our adopted allocation policy.

#### **4. Main Considerations for the Council**

4.0 Wiltshire's allocation policy will remain a choice based lettings scheme that covers the Wiltshire Council area. The scheme determines priorities and procedures for the allocation of affordable housing across Wiltshire, including:-

- Eligible and exclusion criteria for registration
- Property size criteria
- Banding structure that determines how applicants will be assessed and prioritised
- How homes will be allocated

4.1 Since September 2012 a comprehensive informal and formal review of the allocation policy was conducted to address opportunities under the Localism Act

for greater freedoms for councils to adopt local policies and procedures on eligibility criteria and the allocation of affordable housing.

4.2 The consultation included attendance at all area boards, linked housing meetings to the strategic housing partnership, overview and scrutiny as well as with various external stakeholders including the MOD, HCA, Wiltshire police, supported housing sector, voluntary sector and all Wiltshire's housing providers. As well as writing to all households on the housing register informing them of the review and highlighting some of the potential impacts, such as the removal of the Bronze band.

Engagement with Overview and Scrutiny has taken place at key milestones within the development of the revised Policy. Most recently this was at a rapid scrutiny exercise on 28 October and the outcome of this was endorsed by the Overview and Scrutiny Management Committee on 5 November – see Appendix 4 attached. The recommendations from overview and scrutiny set out in its report are currently being considered and will be incorporated as far as possible during final arrangements.

4.3 The formal consultation was very well responded too. In total we received 839 responses and various other letters from groups and housing providers. Appendix 1 provides an analysis of the responses received, the highlights are below:-

- Over 60% of the respondents were both residents of Wiltshire and who are currently on the housing register
- 87.8% agreed that we should exclude from the register those who have exhibited unacceptable behaviour
- When considering the households who would be excluded from requiring a local connection to Wiltshire we had 64.6% of respondents did not want to see the transient group as an excluded group.
- 65.9% agreed that we should introduce the bedroom standard when making allocations for social housing
- 55.7% would like to exclude households who have no identified housing need.
- 75% of those who responded at area boards across Wiltshire wanted to see local homes for local people being introduced
- 71.8% agree that a local connection to Wiltshire should be introduced to ensure housing is only allocated to households with a connection to the area. A local connection can be defined as:-

4.4 A lot of concern was raised during the consultation regarding the definition of Local connection. A local connection to live in the Wiltshire Council area is currently defined as:

- A person who is currently resident in the county of Wiltshire and has continuously lived here for the past two years or more
- A person who is in permanent paid employment or has a permanent offer of paid employment in the county, or is self employed and works in the Wiltshire area or

- A person with close family (grand-parents, parents, legal guardian, adult children or brothers and sisters) who have lived in the county for 5 years or longer, or
- A person who has a connection with the county through special circumstances, such as they need to receive specialist medical or support from a close family member or services within the county which cannot be provided elsewhere

4.5 The final stage of the review was to consider the impacts both positive and negative for some of the outcomes identified from the review. Appendix 1 provides an overview of this work. Some of the key considerations are:-

#### **4.6 Impact Assessment – positive and negative**

At the end of the last quarter of 2012 / 2013 we had a total of 18,478 households who were registered on the housing register. Below explains some of the potential impacts on the main outcomes of the review

**4.7 Re-designation and an alternative for the Bronze band.** Of the 18,478 households on the register 8,226 are in the bronze band and have no identified housing need. Focusing the housing register to include households who have an identified housing need and offering alternative to those with no housing need would reduce the amount of households on the register to 10,252, will make the management of the register easier as well as having a much clearer and transparent system that doesn't raise expectations.

4.8 On average we allocate around 2,000 homes a year. In 2011/12, we allocated homes to 82 households from the bronze band and 81 households in 2012/13, all of which had no identified housing need.

4.9 Some of the registered providers are concerned that by focusing the register to those with a housing need some of their hard to let properties would be void for longer as most of these properties were allocated to those in the former bronze band. This may push the providers to consider a change in use for all hard to let properties which will help meet the needs of clients that we have a responsibility to accommodate, although this work has already started. We have also confirmed that those with no housing need will be offered alternative advice and options as well as being able to register an interest in our expression of interest group which we will use to advertise certain types of alternative housing, such as Low Cost Home Ownership and any hard to let properties.

4.10 Other concerns raised include reduced mobility for applicants wanting to move to different areas as well as a potential increase in appeals and reviews due to applicants trying to access the housing register as well as a housing advice service for those that are not eligible to join the register.

#### **4.11 Expression of interest Group**

To reduce some of the concerns raised by providers and others we are introducing an expression of interest group, which will include all applicants who would like to be considered for accommodation outside of the normal nomination process. This would include low cost home ownership, specially adapted properties, supported accommodation, emergency planning and properties that are hard to let.

**4.12 Introducing a Local Connection to Wiltshire.** Of the 18,478 households on the register, 663 households have no identified local connection to Wiltshire, of which, 304 households are in the bronze band so would reduce the register by a further 359, bringing the total to around 9,893.

4.13 If a local connection to Wiltshire was introduced we would still need to identify certain households who would be excluded from requiring a local connection to this area. This was considered as part of the consultation and included:

- A person who is homeless within the meaning of Part 7 of the Housing Act 1996 and Wiltshire council has accepted a full housing duty to them as well as formally accepted homeless applicants who took a qualifying offer of housing outside of Wiltshire.
- A person who was provided with accommodation in the County of Wiltshire under section 95 of the Immigration and Asylum Act 1999, or
- A person who is serving in the Armed Forces,
- A person who has left the Armed Forces within the last 5 years.
- A bereaved spouse or civil partners of members of the Armed Forces leaving services family accommodation following the death of their spouse or partner.
- Serving or former members of the Reserve Forces who need to move because of a serious injury, medical condition or disability sustained as a result of their service
- A person who is being accommodated through witness protection
- A person who has been confirmed as fleeing domestic abuse from another area or any other violent assault or threat of violence in accordance with Housing Act 1996 Part 7
- A person from the transient community who has no local connection to any other area
- A person who has been accommodated outside the area by Wiltshire Council in exercising its statutory duty to accommodate
- A person with a local connection to an adjoining parish that is outside of Wiltshire but whose housing need has been used to develop affordable housing within a parish of Wiltshire. These households will only be allowed to bid for properties within the parish identified to meet their housing need.
- Verified rough sleepers, where there is proof of rough sleeping in the Wiltshire Council area

4.14 A high percentage of respondents agreed that all but a person from the transient community should be excluded from requiring a local connection to Wiltshire. 64.6% did not consider that this group should be excluded from needing a connection to Wiltshire. Although some of the above are statutory required, the transient community is outside of our statutory requirements. We still may be required to pick some of these households up through the homeless legislation and they would then be excluded from joining the register.

4.15 It is often the case that the transient group do not have a local connection to a particular area so they will never have the opportunity to get a settled home. Allowing them to be excluded from requiring a local connection will help provide stability, with better health, home life and education.

**4.16 Local Homes for Local People.** We have had very strong feedback from area boards that they would like to see local homes allocated to local people. This will allow us to focus on local people rather than out of county applicants. Affordable homes in the future could potentially be allocated to those with a local connection to the town or parish as the 1<sup>st</sup> selection criteria.

4.17 If this was introduced we would need to introduce a cascade approach to ensure we complied with Wiltshire's core strategy. If we could not find on 1<sup>st</sup> allocation a household with a local connection to the town or parish we would need to offer the property to a household with a local connection to the surrounding town and parishes before opening it out across Wiltshire. Appendix 2 confirms how the cascade approach will work for each parish and town in Wiltshire.

4.18 It is very likely that parish councils and local people would be much more supportive of affordable housing development in their area if they knew that the homes would be allocated to local people first and it will help keep communities and families together creating more sustainable and supportive communities.

4.19 Introducing a requirement to have a local connection to an area could potentially limit the movement around the county. It would also be a system that looks at local connection first rather than housing need.

#### **Exclusion for Unacceptable Behaviour.**

**4.20 Rent Arrears.** Any household with rent arrears could be excluded or suspended from the housing register until they have maintained a repayment plan for 6 consecutive months. This will align the allocation policy with many of our housing providers who already exclude applicants from being nominated properties if they have rent arrears.

4.21 Of the 18,478 on the register, 1,385 confirmed they have rent arrears with a landlord. We have no reporting facility on our current IT system to breakdown this figure any further as some may have agreed re-payment plans and would not be excluded. Based on what we know of the 1,385, 617 households are in rent arrears and in the bronze band, therefore the register would be reduced by a further 768 giving a total of 9,125.

**3.22 Anti Social Behaviour (ASB).** Any household who has been evicted or legal action has been taken as a result of anti social behaviour, could be excluded from the register until a tenancy or licence has been successfully held for a period of 12 months with no reported incidents of any anti social behaviour.

4.23 This would also bring it in line with the other housing provider lettings policies. We are not able to report on how many households would be excluded from the register but only a small handful are excluded from being offered a tenancy for ASB.

#### **4.24 Next Steps and timeline**

Following cabinets recommendations and approval to adopt the new policy we will need to take a further paper to full council for final adoption and approval.

Date	Event
Dec/Jan/Feb 14	work with IT provider to develop new IT package in line with policy
Jan / Feb 14	Write to all applicants and request a new form is completed to enable us to assess on new policy
March 14	Evaluate all applications and input on new system
1 <sup>st</sup> April 14	Go live with the new policy

## 5. Safeguarding Implications

5.0 There is no identified safeguarding implications from the proposal in this report.

## 6. Public Health Implications

6.0 There is no identified public health implications from the proposal in this report.

## 7. Environmental and Climate change considerations

7.0 There is no identified environmental or climate change considerations from the proposal in this report.

## 8. Equalities Impact of the Proposal

8.0 The policy detailed herein aims to deliver quality services without prejudice and discrimination to meet the needs of all households, regardless of age, cultural or ethnic background, disability, gender, marital status, religious or political persuasion or sexual orientation and will adhere to the equality and diversity policy developed by Wiltshire Council.

## 9. Risks that may arise if the proposed decision and related work is not taken

9.0 We currently have a lawful allocation policy so we are not required to formally make any major changes, but if this new policy is not adopted we would need to make some minor changes to our existing allocation policy to take into account the most recent guidance that CLG have issued and we would not have taken full advantage of our new freedoms.

## 10. Financial Implications

10.0 Making any changes to our allocation policy will require amendments to our existing IT system. Following brief discussions with our IT contractor they have estimated that based on some of the suggested recommendations it will cost around £40k to develop a new system. To enable a confirmed costing we would need to write a detailed specification with a technician at a cost of up to £2,100. With the technical specification we will receive an accurate costing for any IT changes needed to take forward any approved recommended changes.

10.1 As well as the amendments to the IT system the housing register will require a full review of applications including a review of all bandings in line with the new policy. All clients will need to be written to and a new housing application form completed. All applications will need to be assessed, banded and registered on the new system. This will incur printing and postage costs as well as extra staff resource to process and input all the new applications in line with the new policy.

## **11. Legal Implications**

11.0 Legal have been fully involved and consulted throughout the process of developing the new policy, including the consultation documentation and all recommendations from legal have been taken on board. Legal can confirm that the policy is lawful and complies with the latest changes to legislation.

## **12. Proposal**

12.0 That the Cabinet:

Approve the new allocation policy which should be implemented from April 2014 and allow for final minor amendments from legal in consultation with the housing portfolio holder.

## **13. Reason for proposal**

13.0 The Housing Act 1996 Part VI (as amended by the Homelessness Act 2002) and Localism Act 2012 requires the Council to have a scheme which determines how allocations and nominations will be made.

13.1 The purpose of the Council's Choice Based Lettings Policy is to set out clear guidelines to ensure that affordable housing is allocated fairly and according to an applicants' need for housing while at the same time taking into account effective management of the affordable housing stock across Wiltshire. Following the introduction of the Localism Act we had the opportunity to review our allocations policy to consider some of the new freedoms that the act introduced. Following extensive consultation we have proposed some fundamental changes to our policy and have taken full advantage of our new freedoms to ensure we make best use of our limited affordable housing stock and give priority to local people.

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## **Background Papers**

The following unpublished documents have been relied on in the preparation of this report:

- The Housing Act 1996 Part VI (as amended by the Homelessness Act 2002)
- Localism Act 2012
- CLG Allocation of accommodation: guidance for local authorities in England 2012
- CLG proposals for providing social housing for local people – strengthening statutory guidance on social housing allocations October 2013

## **Appendices**

Appendix 1: Consultation Analysis

Appendix 2: Area Cascade for surrounding towns and Villages

Appendix 3: Draft Homes4Wiltshire Policy

Appendix 4: Comments from Scrutiny

Appendix 5: Summary of banding changes

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