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Ref: CS303

CABINET – 17TH APRIL 2012

ALLOCATION POLICY REVIEW

Report by: Councillor Steve Curran, Lead Member Education, Housing and HR

1.0 RECOMMENDATION

1.1 That Cabinet approve:

1.1.1 Formal consultation on the new draft Allocations Policy and key Policy issues.

1.1.2 The appointment of an independent market research company to carry out the formal consultation on the draft Allocation Policy and Policy issues.

1.1.3 Delegated authority is awarded to the Lead Member for Education, Housing and Corporate HR to agree the final wording of the consultation questions following input from the market research company.

Executive Summary

The Housing Act 1996 states that all Local Authorities exercising a housing function must publish an Allocations Policy showing how homes will be allocated to applicants and prescribes certain categories of people who are to be given reasonable preference.

The Localism Act 2011 received Royal Assent in November 2011 and the Allocations and Lettings changes are likely to be implemented in the summer or early autumn of 2012. The changes allow Local Authorities significant local control over who qualifies for housing and the priority to be given to national and locally determined groups that are assessed as being in housing need.

The implementation of the Localism Act requires the Council to review their Allocation Policy to take these changes into account. This provides the Council with the opportunity produce an Allocation Policy that is fairer, enables the Council to provide priority for certain groups to reflect local demands for housing, contribute to building sustainable communities and provides the opportunity to manage the Housing Register more efficiently and effectively.

This report sets out the suggested process and timetable for consulting on the new draft Allocation Policy and Policy issues.

The key Policy issues to be consulted on are:

- Should the Council's Housing Register be reduced to only include people in housing need who have a realistic chance of being housed?
- Should a percentage of lettings be retained for people:
 - who work and are on low incomes

- other local priority groups such as members of the armed forces who have no housing on release from active service?
- Should a greater number of lettings than at present go to tenants who need to transfer?
- The Localism Act will allow the Council to set its own reasonable eligibility rules in order for people to join the register.
- Should the Allocation Policy be simplified in order to become more transparent by replacing the multiple band system with a simple 1 or 2 band system with priority determined by their eligibility for housing and the time the household has waited on the Housing Register.

All Local Authorities in England will be going through the process of reviewing their Allocation Policy to reflect the changes in the Localism Act. Any major change triggers a requirement to consult. Although formally there is only a requirement to consult with Registered Providers (formerly Housing Associations) in the borough, the statutory Code of Guidance issued by the Government recommends that the consultation process should go beyond local Registered Providers and involve local communities. This is essential to ensure that the Council meets its obligations under the Equality Act 2010.

The Consultation will be undertaken over a period of 8 weeks from the 4th June 2012 to the 27th July 2012.

The Council will tender the consultation to a market research company with housing expertise and the estimated budget required is £15,000 which can be met within existing resources.

2.0 BACKGROUND

2.1 The Housing Act 1996 states that all Local Authorities exercising a housing function must publish an Allocations Policy showing how homes will be allocated to applicants and prescribes certain categories of people who are to be given reasonable preference.

2.2 The Localism Act 2011 received Royal Assent in November 2011 and the Allocations and Lettings changes are likely to be implemented in the summer or early autumn of 2012. The changes allow Local Authorities significant local control over who qualifies for housing and the priority to be given to national and locally determined groups that are assessed as being in housing need.

2.3 The Localism Act allows Local Authorities to achieve 2 key policy objectives:

- the power to determine for themselves the applicants that are or are not allowed to qualify to be considered for social housing in their borough, and
- to take social housing tenants who are seeking a non-priority transfer out of the statutory restrictive allocation rules and allowing a Local Authority to set its own rules for a Transfer Policy.

2.4 The implementation of the Localism Act requires the Council to review their Allocation Policy to take these changes into account. This provides the Council with the opportunity to produce an Allocation Policy that is fairer, enables the Council to

provide priority for certain groups to reflect local demands for housing, contribute to building sustainable communities and provides the opportunity to manage the Housing Register more efficiently and effectively.

2.5 This report sets out the suggested process and timetable for consulting on the new draft Allocation Policy and suggests the key Policy issues that should be included in the consultation. A copy of the draft Allocation Policy for consultation is attached as Appendix 1.

3.0 THE KEY POLICY ISSUES

3.1 The key Policy issues to be consulted on are:

- Should the Council’s Housing Register be reduced to only include people in housing need who have a realistic chance of being housed?
- Should a percentage of lettings be retained for people:
 - who work and are on low incomes
 - other local priority groups such as members of the armed forces who have no housing on release from active service?
- Should a greater number of lettings than at present go to tenants who need to transfer?
- The Localism Act will allow the Council to set its own reasonable eligibility rules in order for people to join the register?
- Should the Allocation Policy be simplified in order to become more transparent by replacing the multiple band system with a simple 1 or 2 band system with priority determined by their eligibility for housing and the time the household has waited on the Housing Register.

3.2 The proposed questions for each of the Policy Issues are set out in the table below:

Housing Register	
Now	What the Council are proposing
<p>Currently the Council has an open housing register available to all with the exception of households that are specifically not eligible ie those subject to immigration control.</p> <p>Many of the applicants have little or no prospect of being housed due to the shortage of supply.</p>	<p>It is the Council’s view that it would be more worthwhile to focus the limited resources to meeting local housing need. For this reason only households who are assessed as being in housing need at a level that means they may receive an offer of housing would be able to join the active housing register and bid for properties.</p>
<p>Housing Register applicants bid as and when they identify a property they wish to move to. The Council does not provide applicants with advice on their alternative housing options</p>	<p>Households assessed as having no prospect of receiving an offer of housing will be placed on an inactive register and will receive advice on alternative housing options available to them.</p>

Low income working households	
Now	What the Council are proposing
<p>The Government determines those applicants that are in the highest housing need are prioritised for an offer of housing.</p> <p>These groups include people who are owed a homeless duty, overcrowded, living in unsatisfactory conditions and medical or welfare grounds.</p>	<p>The Council will expand the priority list so that:</p> <ul style="list-style-type: none"> ○ low income working households are given priority. Should a proportion of lettings be made to low income households, and what should the criteria to determine this include? ○ prioritise other groups such as members of the armed forces who have left the services following active service.

Increasing Tenant Transfers	
Now	What the Council are proposing
<p>The lettings of housing across the borough are split between Homeseekers, those owed a Homeless duty and the Council tenants seeking a transfer.</p>	<p>The Council will set its own rules for our tenants seeking to transfer to another property. This will increase the number of transfers given. Should a greater number of lettings than at present go to tenants who need to transfer to another social housing home?</p>

Setting local rules for joining the Council's Allocation scheme	
Now	What the Council are proposing
<p>The Government sets the rules on who are eligible to join the Council's Housing Register. At present only certain groups of people from abroad who are not eligible for social housing and people guilty of serious anti-social behaviour can be prevented from joining.</p>	<p>The Council will be able to set its own rules to determine who can and cannot join the Housing Register as long as they are fair.</p> <p>The Council are proposing to set the following eligibility rules which include:</p> <ul style="list-style-type: none"> • An applicant must have been resident in the Borough for 5 years or more. • Where a household has previous rent arrears or a history of anti-social behaviour they will have to demonstrate that they have resolved these problems before they can register. • New applicants will make a commitment that they will attend Tenancy training before they receive an offer of accommodation.

Simplifying the Locata banding system	
Now	What the Council are proposing
At present the Council has a multiple band Choice Based Lettings system and this can often be confusing for applicants.	<p>The Council will make the system simpler by setting a 1 or at the most 2 Band system.</p> <p>Priority for housing will be awarded by the date they were registered to enable applicants to have a realistic idea of the time they are likely to have to wait to be accommodated.</p>

- 3.3 Following the appointment of a market research company the questions will be finalised.
- 3.4 Delegated authority is therefore requested for the Lead Member for Education, Housing and Corporate HR to agree the final wording of the consultation questions following input from the market research company.
- 3.5 The draft Allocation Policy will be available on the Council's website with a further series of questions on the detail of aspects of different parts of the Policy.

4.0 CONSULTATION PROCESS

- 4.1 All local authorities in England will be going through the process of reviewing their Allocation Policy to reflect the changes in the Localism Act. Any major change triggers a requirement to consult. Although formally there is only a requirement to consult with Registered Provider in the borough, the statutory Code of Guidance issued by the Government recommends that the consultation process should go beyond local Registered Providers and involve local communities. This is essential to ensure that the Council meets its obligations under the 2010 Equality Act.
- 4.2 Given how important these changes are and to avoid the possibility of a future legal challenge the Council will undertake comprehensive consultation on the key policy issues proposed and the draft Allocation Policy and Policy issues.
- 4.3 The Consultation will be undertaken over a period of 8 weeks from the 4th June 2012 to the 27th July 2012.
- 4.4 The Council will tender the consultation to a market research company with housing expertise to ensure that the consultation is independent from the Council and the estimated budget required is £15,000 which can be met within existing resources.
- 4.5 The Consultation timetable and Stakeholder Matrix is attached as Appendix 2.

5.0 EQUALITIES IMPACT

- 5.1 In developing a new Allocation Policy and especially decisions on who will and will not qualify for the scheme the Council needs to take into account its general equalities duties under Section 149 of the Equality Act 2010.

5.2 The new Allocation Policy will be subject to consultation as the changes will potentially impact on existing housing register, transfer and any future applicants for housing. There will be a comprehensive consultation exercise carried out so that the views of all interested parties can be collected and considered. The EIA will be completed following the analysis of the consultation responses and will be made available to Members when making a decision to approve the revised Allocations Policy.

6.0 COMMENTS OF THE ASSISTANT DIRECTOR CORPORATE GOVERNANCE

6.1 The Assistant Director Corporate Governance has been consulted in the drafting of the report and any comments have been included within it.

7.0 COMMENTS OF CHIEF FINANCE OFFICER

7.1 The estimated cost of the proposed consultation exercise is £15,000 which can be met from the General Fund Housing Revenue Budget. This expenditure will need to be funded from the General Fund rather than the Housing Revenue Account as it relates to the Council's strategic housing function rather than the actual provision of housing accommodation.

Background Papers: Review of Hounslow's Allocation Policy
This report has been or is due to be considered by: CLT – 22/3/12
This report is relevant to the following wards/areas: All