



# **BUSINESS SUPPORT OVERVIEW AND SCRUTINY COMMITTEE**

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## **DRAFT ALLOCATIONS POLICY 2019**

Report from: Mark Breathwick, Head of Housing

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The Allocations Policy was last reviewed in 2012 and since then there have been changes in legislation and additional Ministry of Housing, Communities and Local Government (MHCLG) guidance; it is therefore necessary for the policy to be updated to reflect this and the current needs of Medway residents. This report sets out the proposed changes to the policy and seeks Members' views

### **1. Budget and Policy Framework**

1.1 Considering and approving the Allocations Policy is a matter for Cabinet.

### **2. Background**

2.1 The Allocations Policy is a statutory document, the need for which arises out of Part VI of the Housing Act 1996. The policy details who should be awarded priority for housing and how the units of accommodation will be allocated. The Council uses a "choice-based lettings scheme" to allocate social housing, the nature of the scheme is for vacant social housing properties to be advertised to the applicants on the housing register and for applicants to express their interest in suitable properties.

2.2 The Policy was last reviewed in 2012, with its implementation in 2013. Since then there have been changes in case law and an additional Code of Guidance from MHCLG, which have presented the need to review the current Allocations Policy to ensure that it remains up to date and is able to respond to pressures locally.

2.3 As of 1 July 2019 there were 3,923 households registered for accommodation and of those 1,860 households have a priority that allows them to bid for accommodation through the Homechoice system. In July 2017 there were 17,661 households registered. The decrease in numbers is due to a number of projects completed by the Homechoice Team, including a review of all duplicate applications, which removed approximately 400 households, the

National Fraud Initiative, which removed 8,844 households, these included those that had moved address. An annual review is now completed and from July 2017 to July 2019, this has resulted in 15,433 households being removed as the applicants no longer wished to be registered.

### 3. Options

3.1 The options available to the Committee are;

a) to recommend the adoption of the draft Allocations Policy to Cabinet as set out at Appendix A.

b) to propose amendments to the draft Allocations Policy to Cabinet.

c) to recommend not to adopt the draft Allocations Policy and carry on business as usual without a new strategy in place.

### 4. Advice and analysis

4.1 The following table shows the changes that have been made to the policy.

<b>Change</b>	<b>Current</b>	<b>New policy</b>	<b>Why change was made</b>
<b>Homeowners</b>	Homeowners can register, as long as they do not have more than £50,000 in equity	Homeowners can no longer be registered	Recommendation from MHCLG
<b>Households not bidding for accommodation</b>	Non bidders are placed into band D	Households that have not bid for suitable accommodation in six months, will be removed from the register for six months	This will ensure that those in most need to move, that are actively pursuing alternative accommodation are re-housed
<b>Anti-Social Behaviour</b>	Households found guilty of housing related anti-social behaviour are placed into band D	They will now not be allowed onto the register, until a change in behaviour can be shown	Applicants guilty of ASB are not considered by providers, as they are unsuitable to be re-housed
<b>Adapted homes</b>	No provision	Those in social housing giving up a disabled adapted property, will now be placed into band A	To free up high demand disabled properties
<b>Refused offers of accommodation</b>	Households that have refused two reasonable offers of accommodation	Will now be removed for six months. Additional	Reduce administration time and ensure that only those

	are placed into band D	consideration given to Medway care leavers	that are wanting to move are considered
<b>Transfer tenants</b>	Can re-apply as soon as re-housed	Will not be able to reapply within one year of being re-housed	To avoid unnecessary moves
<b>Deliberately worsening own circumstances – if meet reasonable preference (priority groups within legislation that need priority)</b>	Placed into the band that would have been applicable prior to them worsening their own circumstances	Will be placed into band D	Placing applicants into band D, will still give an opportunity to express interest in properties and find alternative accommodation
<b>Age for sheltered housing</b>	Currently age is 55 and over	60 and over	Due to providers increasing their age requirement there are not many schemes that will accept over 55s
<b>Priority for sheltered</b>	Can be placed into band C or B if they meet the Local Priority criteria	They will now place in band D	Those registered for sheltered housing only, do not have a housing need and are placing above those that do
<b>Right to move – social tenants who need to move to take up a job or live closer to work</b>	Placed into a priority under management discretion, following it being add as a priority group by MHCLG	Applicants will now be placed into band C, with their own priority group	MHCLG recommendation
<b>Homeless quota</b>	Currently 20% of properties are allocated to homeless households through direct nominations	This will increase to 30%	To provide greater flexibility to move households on from temporary accommodation.
<b>Medway care leaver – two bedroom property</b>	No provision	Two Medway care leavers will be able to apply for a two bedroom property together	To allow care leavers that have built up a relationship to live together and reduce isolation and loneliness

<b>Local Priority (additional priority for economically active households)</b>	Currently called Local Priority	Rebranded as Community Contribution	Provide clarity around what the initiative is and what it is awarded for
<b>Local Priority – income threshold</b>	Income limit for working households to qualify for Local Priority is set as low, with a guide of £12,000 for single households and £20,000 for families	There will be no limit set on income as long as the policy criteria is met	The policy already sets an income limit and therefore it is not necessary to apply another criteria for Local Priority
<b>Local priority – hours volunteering for young people</b>	Young people need to be volunteering for 20 hours per month	This will change to 10 hours per month	There was a higher level of hours needed for young people, so this has been changed to reflect the hours required for other households
<b>Armed forces – residency exemption</b>	Currently being dealt with through discretion in the policy	Exemption for residency for divorced, separated spouses or civil partners of Service Personnel that need to leave their military accommodation	Guidance has been issued by MHCLG

4.2 It is a sensitive issue the number of households that are being placed into the Medway borough; however in terms of allocations of social homes, those homeless households placed into the borough by other councils will not be given priority within the policy. Households will not meet the two year residency criteria set within the policy, as time spent in the area when placed by another borough does not count towards residency. We do however prioritise households that are Medway residents and homeless in accordance with the legislation.

4.3 Sheltered accommodation is lower demand housing and is more difficult to let than general needs accommodation. For this reason we have allowed those that are registering for sheltered accommodation only to be registered without a housing need. The proposal in the revised policy is to place these households into band D, this will ensure that those with a housing need will place above those registered for sheltered housing only. We have also taken the decision to increase the sheltered age to 60 and over. This is due to the main providers having an age limit of 60 or 65 and over. There are two

providers that will accept households from the age of 55, however they do hold their own waiting lists and therefore these households can register directly with them. This will assist with managing expectations, as households registered with this priority in this age bracket are unlikely to be rehoused through the system. Between 1 April 2018 and 2 August 2019, there were 173 sheltered units advertised and of these only one provider with a 55 and over age criteria advertised properties, resulting in only four properties that this age group could have applied for. This provider does have their own waiting list, providing the opportunity for people to be re-housed without going through the housing register. As of 25 July 2019 there were 58 households that would be affected by the change in age; however information will be provided to them so they can apply directly to the schemes they are eligible for.

4.4 A Diversity Impact Assessment (Appendix B) has been completed. This identified an adverse impact on age, due to moving households registered for sheltered housing and extra care only, to a lower priority band and increasing the age criteria to 60 from 55. These households do not have a housing need and can source accommodation through other means. By placing them into a lower priority band, this ensures that those with a housing need, such as a need to move for medical reasons will be considered for the property, before those without a housing need. There is only one provider that allows households between 55 and 59 and they rarely have properties, so by increasing the age, it ensures that those younger people's expectations are managed. However where there is an overriding housing need households of this age group will be registered with a priority.

4.5 Young people are likely to be advantaged, as care leavers will be able to apply for an additional bedroom with another care leaver. The number of hours for volunteering has also been decreased to bring this in line with the generic criterion for volunteering.

4.6 There is also both an adverse and positive impact for households with a disability. This is due to the policy criterion for households to be removed if they have not bid on suitable accommodation and this could be as a result of them not being able to bid due to disability. We will however look to support customers by setting them up for automatic bids, to reduce this risk. Consideration will always be given as to the reason why a household has not bid. By awarding additional priority to households that have an adapted home that they are giving up, this should increase the number of disabled homes available, therefore having a positive impact on disabled households.

## 5. Risk management

5.1 Please see details of risks below:

<b>Risk</b>	<b>Description</b>	<b>Action to avoid or mitigate risk</b>	<b>Risk rating</b>
Policy not implemented and not meeting requirements	If policy is not implemented then it will not meet the legal requirements, or reflect the needs of the residents of Medway	Implement changes in the policy	D2

That the policy will not remain relevant	New legislation or case law could determine that change is required	The policy will be regularly reviewed and relevant changes made where necessary	D3
Housing providers do not work in a way that supports the policy	Housing Providers may allocate properties outside of the Allocations Policy, resulting in households being bypassed	Housing providers have similar Allocation Policy's and we will regularly check bypass reason and challenge when necessary	E3
Legal challenge from affected households	A household could take us to court on a point of law, if the policy does not meet the legal requirements	The policy has been reviewed by legal and we are satisfied that it would withstand legal challenge	E3
Increased enquiries from households	Households may enquire about changes, or make a complaint and there is a chance of an increase to Councillor and MP enquiries	Customers affected will be contacted and will be offered a right of review and information on the changes	B3

## 6. Consultation

- 6.1 The draft Allocations Policy has been sent to every social housing provider in Medway, as per the legal requirement. It has also been posted on the Medway Council website and a link placed on the Kent Homechoice website. The consultation ran from 1 August 2018 to 11 October 2018.
- 6.2 Consultation was completed face to face with Medway Council Landlord Services, MHS, Children Services, Medway funded Housing Related Support Providers, the Medway Homechoice Team and Housing Services.
- 6.3 Following consultation with partners the feedback was positive and there were no objections to the changes being put forward. There was a recommendation from Children Services to add a section in the policy to advise what is on offer for care leavers, which has been included. There were also recommended changes from Housing Options to amend the section for homeless households to take account of the Homeless Reduction Act 2017. This has been amended, but does not affect the households registered.
- 6.4 The online consultation received six responses and all of these were from individuals and none from organisations. The consultation responses included information that was not relevant to the questions asked; however on the whole the response was positive and the majority agreed with the changes requested, although there was a split decision on the change for sheltered households to band D and suspending households that have refused two offers of suitable accommodation.

6.5 Consultation responses were low; however this is a similar level of response that we have seen for other consultations. As the impact of the policy affects a low percentage of the housing applicants it was expected that we would receive a low consultation response.

## **7. Financial implications**

7.1 The draft Allocations Policy does not entail any budgetary commitments above those already planned for.

## **8. Legal implications**

8.1 Part VI of the Housing Act 1996 requires local authorities to make all allocations of social housing in accordance with an Allocations Policy.

8.2 The Policy must set out how properties are allocated and who is prioritised for these properties, giving consideration to the legal requirements of the Housing Act to allocate accommodation to certain groups with 'Reasonable Preference'.

## **9. Recommendation**

9.1 Members are asked to consider and comment on the proposed Allocations Policy before it is approved by Cabinet.

## **Lead officer contact**

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## **Appendices**

Appendix A - Draft Allocations Policy

Appendix B - Diversity Impact Assessment

## **Background papers**

None