

Meeting:	Tenants' and Leaseholders' Consultative Forum
Date:	23/07/2009
Subject:	Housing Allocations Scheme
Responsible Officer:	Gwyneth Allen, Divisional Director, Housing
Portfolio Holder:	Councillor Barry Macleod-Cullinane, Portfolio Holder for Adults and Housing
Exempt:	No
Enclosures:	Current Lettings and Transfer Policy (To follow)

## Section 1 – Summary and Recommendations

**This report sets out the Council's plans to consult on and produce a new Lettings and Transfer Policy (known in the housing legislation as the council's statutory allocations scheme) during the coming year.**

### **Recommendations:**

The TLCF is requested to contribute their suggestions on the groups, methods and timescales for consultation, and to comment on the items proposed for change within the scheme.

### **Reason:**

To ensure that the views of the council's current tenants and leaseholders are taken into account in the framing of the new scheme.

## Section 2 – Report

### 1 Background

#### 1.1 Legal position

The council is legally obliged by the provisions of the Housing Act 1996, S. 167, to maintain and publish a scheme for allocating its own accommodation and nominating tenants to housing associations. We are only permitted to allocate these homes in accordance with the rules we publish in that scheme.

#### 1.2 Harrow's allocations scheme

Harrow's scheme was first published in April 2003 when the council joined with other West London boroughs and established the Locata choice based lettings scheme. At that time a full consultation exercise took place and the change from points to bands was equality impact assessed. The scheme has been amended by a series of minor changes on 4 occasions since then.

### 2 Current situation

#### 2.1 Aims of the choice based lettings system

When the West London Locata scheme was set up, the stated aims were to give housing applicants:

- a more transparent and understandable method (than “points”) of giving priority for rehousing, which would include waiting time in its assessment of housing need,
- more choice over where they moved to,
- the opportunity to refuse an offer with no penalty, but without impacting adversely on property void times
- a wider choice of properties (regional rather than just within Harrow),
- the ability to choose rather than having an offer enforced on them, so that more sustainable communities would emerge on our estates,
- information (“feedback”) both about what properties are available and the priority of the successful tenants relative to their own, so they would have a better idea of actual waiting times and thus be able to make more informed choices about area and property type
- less incentive to present to the council as homeless because we would be able to show that, waiting longer in unsatisfactory housing conditions in the private rented sector resulted in having a chance of getting an allocation of social housing.

#### 2.2 Principles of priority banding

The underlying principle of the current scheme is that priority between housing applicants is decided on the basis of four broad bands of housing need, as follows:

Band	Types of applicant covered	Nos. in band
A	Households in emergency need of a move (e.g. life and	46

<b>Band</b>	<b>Types of applicant covered</b>	<b>Nos. in band</b>
	death medical) or where the council has an over-riding interest in moving the household (e.g. imminent permanent decanting for redevelopment purposes)	
B	Households with an urgent need to move (e.g. an adapted home is needed to enable a household member to live a more normal life)	91
C	Households who have a need to move that is counted by the legislation as one that should give them “reasonable preference”. Most housing applicants fall into this category by virtue of a medical need, social welfare need, overcrowding need or homelessness need.	2329
D	Households that wish to move but whose needs do not count as giving them “reasonable preference”.	2680

### **2.3 Use of date order**

Within the bands one person gets higher priority than another if they have been waiting longer in that band. If a band is raised because of a change in circumstances (e.g. a previously satisfactorily housed family has another child so that they need an additional bedroom, so they move from D to C) they acquire a new, recent priority date, so that they do not overtake others who were already in band C simply because they registered for housing before them.

### **2.4 Likelihood of an offer of housing**

The demand from households with a reasonable or additional preference on the housing register increases in proportion to the number of bedrooms needed. For every 1 bedroom general needs (as opposed to designated elderly) vacancy there is between 60 and 80 bids from bands A, B and C, compared with (typically) 200 for every 3 bedroom home.

### **2.5 Larger families**

The numbers of council and housing association homes (“social housing”) with 4, 5 or 6 bedrooms is so tiny compared with the demand that people waiting for this size of home may never receive an offer. If they become homeless they may, effectively, wait forever in temporary accommodation. The squeeze is so tight that the council advertises and allocates homes with a living room and a dining room (“parlour”) as if the parlour were an extra bedroom. Thus the majority of 4 bedroom homes are not in fact homes that were intentionally built to include 4 bedrooms.

### **2.6 Balancing homeseeker and transfer lettings**

The council tries to ensure a balance of lettings between homeseekers (households not currently accommodated in council or housing association homes) and transfers (current council and housing association tenants who wish to move). The currently approved lettings balance is 80% homeseekers

and 20% transfers. Although it is recognised that every transfer move creates another letting, because of the imbalance in property size it would not be fair to target every large unit for transfers only, because then only smaller units would become available for homeseekers. The current scheme tries to ensure a “level playing field” so that homeseekers and transfers with a similar level (but different type) of need compete for vacant homes on waiting time alone. Even so, in order to achieve the 80:20 mix, we have found it necessary to target some homes for transfers only. It should be noted that the waiting times for successful transferees to such homes tend to be markedly shorter than for those vacancies where transfers must compete with homeseekers.

## **2.7 Homeless households**

For the last 15 years or so the bulk of family sized homeseeker allocations have gone to households to whom the council has accepted a statutory homelessness duty. In Harrow the majority of band C homeseekers are households who became homeless unintentionally and who have been accommodated in temporary accommodation (TA). The bulk of this comprises private sector homes procured and managed by housing associations on the council’s behalf for this purpose.

## **2.8 Moving on from Temporary Accommodation (TA)**

When the lease on a TA expires it can either be extended by agreement with the landlord or, if this is not possible, the family must be moved either to further TA or to a council or housing association permanent home. Several government targets have affected how the council deals with this:

- i) The requirement to halve the number of TA units used between 2005 and 2010, and
- ii) Ensuring that no homeless family is accommodated in bed and breakfast for longer than 6 weeks.

The council has been achieving the bed and breakfast target since the middle of last year. We will shortly achieve the TA target ahead of schedule, following the innovative work of the Housing Needs team in successfully providing alternative housing solutions for many of the households previously accommodated in TA.

## **2.9 Allocations policy and move on from TA**

In 2007/08 many of these families were prioritised for move on to permanent accommodation by placing them in band A when lease expiry was imminent. During 2008/09 this policy was discontinued, because we were able to utilise the private sector much more effectively. The achievement of the TA target gives us the opportunity to look again at the relative priority given to homeless households on the housing register, and at the goals we wish to achieve by means of the allocations scheme.

## **2.10 Equality of opportunity**

The council monitors the ethnicity of those who are successful in bidding for its (and its partner housing associations’) homes and is able to show a rough proportionality to those who register for housing. There is a common

misconception that the bulk of our properties go to recent migrants.. While it is certainly true that many of the families to whom council has accepted a homelessness duty originated from overseas, it is also true that we follow strict legal rules about eligibility for housing assistance. Refugees, for example, are not eligible until the government gives them “leave to remain”. Harrow does not accept a duty to families who do not have a local connection to the borough (except in rare cases where, for example a person is fleeing domestic violence and needs to make a fresh start away from all local connections). Harrow is one of the most ethnically diverse boroughs in the UK, and the impact of any proposed Lettings and Transfer Policy should be considered in this light.

### **2.11 Poverty**

Another frequently misunderstood aspect of housing policy is that, if you are on benefits and/or on a low income, you should have priority on the housing register. There is nothing in the “reasonable preference” categories that indicates this, and the law merely tells council that an acceptable reason for not making an offer of social housing is that the person has sufficient financial resources to find their own accommodation.

### **2.12 The private sector alternative**

Housing benefit is calculated on the basis of “affordability” and the rate of local housing allowance (LHA) set so far has enabled many more benefit-dependent households than hitherto to sustain tenancies in the private sector, provided they do not live in accommodation where the rent is above that indicated by the LHA. This is especially important given that there is simply not enough social housing available to meet the demand from people on benefits and/or a low income. Harrow’s most popular and successful “housing option” is to pay a Letstart fee to a landlord who is willing to take a benefit dependent household nominated by the council and to charge at or below LHA rates for their property. Use of this option means that families avoid going into hostels or bed and breakfast, and the uncertainty of TA, and all the social problems that accompany the homelessness route to social housing, and that they go to an area and property type of their choice. The fact is that, for the last 20 years, the bulk of government housing subsidy now goes into housing benefit, rather than into the “bricks and mortar” work of building new social homes for rent. Social housing has become, by its scarcity, the housing option of last resort.

## **3 Why a change is needed**

### **3.1 Process of change**

The current scheme works well in many ways, but needs updating. It has been agreed that some quite major changes in emphasis are necessary to bring it up to date, and that these changes should be fully consulted upon and equality impact assessed.

### **3.2 What stays the same**

There is no intention to change radically the basic principles of the scheme:

- Priority by broad bands of need and date order within the bands

- Assessment of applications on broadly the same basis as our West London partners
- Advertising of and bidding for available properties
- Multiple viewings of available properties in order to let to the highest priority viewer who wishes to accept an offer. This usually avoids delays in letting a property caused by having to investigate reasons for refusal
- No more than 10% of vacancies let directly, outside the choice based system
- Provision of opportunities for applicants to move to neighbouring boroughs

### 3.3 What should change

However, there is pressure to change various aspects of the scheme in response to:

- Legislative changes
- West London partners' wishing to introduce new categories of priority
- Changes in housing policy emphasis away from prioritising homeless people for social housing and towards mitigating overcrowding and assisting working people on low incomes.

## 4 Main options

### 4.1 Possible changes to the scheme

No.	Source	Affects	Intention
1	Legislative changes to overcrowding standards and government priority	Severely overcrowded families, especially in social housing	Award higher priority
2	More sustainable communities	Working households	Award higher priority
3	Better control over homelessness	Accepted Homeless households	Award lower priority
4	House of Lords judgement on Newham Allocations Scheme	All – we now know it is lawful for councils to have simpler allocations schemes	Simplify scheme
5	Flexible use of private rented accommodation to meet housing need	All	Increase options for households in housing need and prioritise social housing for those with fewer alternatives.

## 4.2 Proposed consultation framework

August to October will be spent scoping the project and reviewing allocations schemes being developed by Locata partners and other London boroughs, in preparation for consultation.

No.	Method	Who	Draft Timescale
1	Discussions/ meetings with partners	West London Locata partners and non partner housing associations	November 2009
2	Benchmarking exercise on cost of allocations	Newham Council/ Acclaim Consulting	November 2009
3	Focus groups with particular user groups	E.g. homeless people, low paid people in private sector accommodation and on the housing register and overcrowded social tenants.	November 2009- January 2010
4	Meetings with interest groups	E.g. Harrow Association for the Disabled (HAD), Harrow Association of Somali Volunteer Organisations (HASVO), and the Single Homeless Forum	December 2009– February 2010
5	Questionnaire	Housing applicants (homeseekers and transfers)	January 2010
6	Progress Report	Tenants and Leaseholders Consultative Forum (TLCF)	Feb 2010
7	Circulate draft new policy	All interested parties (all the above) with 1 month response time	May 2010
8	Conference	Invite all interested parties during the consultation period	June 2010
9	Report to Cabinet	Take into account feedback from consultation	July 2010
10	Publish new Allocations Scheme	Following approval by cabinet	August 2010

## **5 Other options considered**

### **5.1 Corporate Priorities**

To do nothing is not an option. One of Harrow's three corporate priorities is to protect vulnerable people. Ensuring that we have an up to date scheme to ensure the sensitive and fair allocation of social housing will be a fundamental component of this goal.

## **6. Implications of the Recommendation**

### **6.1 Resources, costs and risks**

The changes to the allocations scheme are intended to be cost-neutral so far as the cost of allocating social housing is concerned. The intended benchmarking exercise will ensure that value for money is a consideration. However, the process of consultation will necessitate expenditure on staff time, publication of papers, sending out questionnaires, and booking of venues for meetings. It is possible that a specialist consultant may be appointed to carry out some parts of this work, but this cost will be contained within existing budgets.

### **6.2 Staffing/workforce**

The changes to the allocations scheme are unlikely to result in changes to the staffing required to administer it, but the intended benchmarking exercise may point the council in certain directions of policy, which might ultimately result in better deployment of staff.

### **6.3 Equalities impact**

An equalities impact assessment will be conducted in tandem with the consultation process so that all proposed changes are thoroughly considered in the context of ensuring equality of access to social housing.

### **6.4 Legal comments**

Housing authorities are required by the provisions of s.167 Housing Act 1996 to have an allocation scheme for determining priorities, and for defining the procedures (*including all aspects of the allocation process, including the people, or descriptions of people, by whom decisions are taken*) to be followed in allocating housing accommodation.

By virtue of the provisions of s.167 (7) Housing Act 1996, a Local Housing authority must afford all registered social landlords with whom it has nomination arrangements the opportunity to comment on an allocation scheme before it is adapted or - subsequently - before it is altered in any way that reflects 'a major change of policy'.

The proposed consultation will ensure that Harrow Council complies with the provisions of s.167 (7) Housing Act 1996.



### 6.5 Community safety

Community safety implications will be considered as part of the consultation process. Some lettings can be very sensitive and it is important that the allocations scheme should reflect the need for special considerations in such cases.

## 7. Financial Implications

The cost of consultation, development and any specialist consultancy will need to be contained within existing budgets.

As part of the development of the new Allocations Policy, the implications for the General Fund budget of making further use of the private rented sector will need to be considered. Also, any impact on the Housing Revenue Account of proposed changes should also be assessed.

## 8. Risk Management Implications

There are no risk implications at this stage – we are just asking for initial views on what the allocations scheme should look like and how we should consult on it.

Risk included on Directorate risk register? No  
Separate risk register in place? No

## Section 3 - Statutory Officer Clearance

Name: Donna Edwards	<input checked="" type="checkbox"/>	on behalf of the* Chief Financial Officer
Date: 30 June 2009		
Name: Paresh Metha	<input checked="" type="checkbox"/>	on behalf of the* Monitoring Officer
Date: 30 June 2009		

## Section 4 - Contact Details and Background Papers

**Contact:** Rosy Leigh, Housing Assessment Manager, 020 8420 9209

Background Papers:

Harrow Lettings and Transfer Scheme:-

[http://www.harrow.gov.uk/downloads/Lettings\\_Scheme\\_2003\\_0406amd.pdf](http://www.harrow.gov.uk/downloads/Lettings_Scheme_2003_0406amd.pdf)

If appropriate, does the report include the following considerations?

1.	Consultation	YES
2.	Corporate Priorities	YES