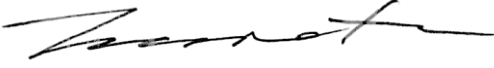




Haringey Council

Report for:	Cabinet 14 October 2014	Item Number:	
Title:	Proposed Changes to the Housing Allocations Scheme		
Report Authorised by:	 Tracie Evans, Interim Chief Operating Officer tracie.evans@haringey.gov.uk Tel: 020 8489 2688		
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Ward(s) affected: All	Report for Key Decisions		

1. Describe the issue under consideration

1.1 There is a statutory requirement for local authorities to publish an Allocations Scheme that sets out in detail how households are prioritised for permanent accommodation. The Localism Act 2011 provides Local Authorities with considerable discretion in constructing the scheme. This paper sets out a number of proposals recommended when devising a new allocations scheme for Haringey.

2. Cabinet Member introduction

2.1 The demand for housing considerably outstrips the available supply. In devising a new scheme for letting the limited stock of housing in the Borough we need to ensure that it meets our corporate priorities. It is our intention to prioritise lettings to residents that have a strong connection to the Borough; therefore we intend to increase the residency criterion from one year to three. We need to ensure that households bidding for properties have realistic prospects of receiving an offer,



through the Choice Based Lettings System. The intention is to remove from the register applications from households that are highly unlikely to ever receive such an offer, while giving them appropriate advice and support on other options. The changes to the Allocations Scheme support our wider ambitions to regenerate the borough, and continue to support those in greatest need and the most vulnerable.

3. Recommendations

3.1 Cabinet are asked to approve the changes to the Allocations Scheme. As set out below:

- 3.1.1 Households placed on the housing register should have a realistic chance of receiving an offer of accommodation. Therefore the existing bands D and E should be deleted. Consequential changes to the scheme are detailed in paragraph 5.16;
- 3.1.2 Applicants (other than certain households connected to the Armed Forces) must be resident in the Borough for a minimum of 3 years before they can join the housing register.
- 3.1.3 Single people who are vulnerable and are being provided with the necessary support to live independently (through Haringey's Pathway Model) will be awarded extra priority for social rented housing if private rented housing is unsuitable or unavailable.
- 3.1.4 The process for assessing priority to supported accommodation is reviewed, to ensure that a proper balance is struck between housing need and support needs.
- 3.1.5 Additional quotas are provided for Care Leavers with children of their own and for certain households connected to the Armed Forces.
- 3.1.6 An Exceptional Circumstances Panel is established to consider whether exceptions should be made to the Housing Allocations Scheme.

3.2 Cabinet are asked to approve the Allocations Policy set out in Appendix A.

3.3 Cabinet are asked to note that the Leader has agreed for the Cabinet Member for Housing and Regeneration to approve Local Lettings Plans in line with the principles set out in 5.22 to 5.27.

4. Alternative options considered

- 4.1 Significant freedoms exist in devising the Allocations Scheme, following the enactment of the Localism Act 2011, and statutory guidance from the Department of Communities and Local Government. Any of the recommendations set out in this report could be taken or alternatively the existing allocations scheme could be maintained.



5. Background information

The current Allocations Scheme

- 5.1 The current Allocations Scheme is organised into 5 bands, bands A to E. Band A is for those households that have the highest level of housing need and / or an urgent need to move. While Band E represents households that have no housing need, although clearly these households have expressed a desire for social housing.

Table 1 Demand and Lettings by Band

Band	Numbers	Lettings 13/14	Band as % of Register	Lettings % by Band
Band A	268	179	3%	21%
Band B	3,027	649	31%	77%
Band C	1,199	20	12%	2%
Band D	2,978	0	30%	0%
Band E	2,300	0	24%	0%
Total	9,772	848	100%	100%

- 5.2 There are 9,772 households that have applied for Housing. The supply of permanent accommodation, coming from lettings in our own stock and nomination rights to registered providers (largely housing associations), is extremely limited.
- 5.3 A crude division of demand against supply indicates that households will face a wait of at least 11 years before being housed. However, this is too crude; the reality is that some households will never be housed. As the table indicates none of the households in bands D and E received an offer in the year. In fact they did not receive an offer since the inception of the current allocations scheme in March 2011.
- 5.4 In terms of waiting times for housing this is driven by relative priority within the scheme, but also by the bedroom size needed, and other requirements such as the need for wheelchair access. A significant proportion of the households that have a priority within the scheme will need family sized accommodation. For instance, the majority of accepted homeless households require a two bed property or larger. There are very long waiting times for larger households, particularly for households that need 3 bedrooms or more. Last year we only let



35 properties that had 4 bedrooms or more. This reflects not just the overall supply and demand imbalance, but the imbalance in terms of specific needs.

Table 2 Analysis of Register by Band & Bedrooms Needed

Bedrooms	1	2	3	4	5+	Total
Register	3634	3615	2004	439	80	9772
Band A-C Only	732	1927	1440	334	61	4494
Lettings	446	240	127	29	6	848
% of Register	37%	37%	21%	4%	1%	100%
% of Lettings	53%	28%	15%	3%	1%	100%
% of Register A-C Only	16%	43%	32%	7%	1%	100%
Demand / Supply A-C Only	1.64	8.03	11.34	11.52	10.17	5.30

Demand for households assessed as needing a one-bedroom property form the single largest group. However, only 16% of this group are considered to have sufficient priority to be placed in Bands A-C. The supply of one-bedroom property is relatively healthy, which means that households with a priority requiring a one-bedroom property have a relatively short wait for permanent housing.

The changing Housing Context

- 5.5 Social housing cannot be separated from the wider housing context. Significant changes have happened in the housing sector over a relatively short period. There is a shortfall of housing supply across the country, which is particularly marked in London. This has resulted in rising house prices, with rent levels inevitably following this upward trend. There has been a substantial increase in the private sector in the Borough, from 19,000 in 2001 to 31,000 in 2011.
- 5.6 The private housing sector provided a home for many households, for whom neither home ownership nor social housing was a real option, but with the restrictions placed on the Housing Benefit system and the application of the overall benefit cap, this is increasingly untenable. The greatest proportion of homeless applications across London results from private sector tenancies being brought to an end. Three years ago private sector evictions accounted for a relatively small proportion of homeless applications,



- 5.7 The Council has 2,946 households in temporary accommodation. The Localism Act 2011 brought in changes to homeless legislation that allowed Local Authorities to bring their duties to an end by an offer of suitable accommodation in the private rented sector. This part of the Act was brought into effect on the 9 November 2012 and is applicable to homeless applications after this date. However, given the changes made to the housing benefit system it has become very difficult to procure properties in the private sector. Given the Act was not retrospective the duty to approximately 2,000 households in temporary accommodation can only be ended through an offer of permanent accommodation.
- 5.8 The models for the funding of new housing have changed in recent years. Historically social housing in London has been let at levels considerably below market levels. In Haringey, social rents equate to approximately 35% of local market rents. The national subsidy system for new housing introduced in 2011 reduced the capital funding substantially, requiring a shift to revenue funding. Subsidy levels in Haringey have fallen from approximately £120,000 per property in 2010 to £35,000 in 2014. Rents under the 'affordable rent' model can now be charged at up to 80% of the market rent levels in an area. Given rent levels in London, 80% of a market rent would hardly seem affordable for those on a low income. In the 2015-2018 GLA bidding round the Mayor introduced the concept of 'Capped' and 'Discounted' affordable rents. Affordable homes let at 'Capped' rents are intended to provide sub-market rented homes for households in greatest housing need. Rents are expected to be no more than 50% per cent of local market rents (inclusive of service charge). However, in high value areas such as the west of Haringey, rents capped at 50% of market rents may result in exceptionally high rent levels and be unaffordable to those in housing need. As a consequence the GLA has agreed that 'Capped' rents in the west of the borough can be linked to Lower Quartile Rents (LQR).
- 5.9 Affordable homes let at 'Discounted' rents will attract even lower subsidy from the GLA. In order to maximise delivery, providers are expected to model initial rents at 80% of market rents or, where it would be lower, at the Local Housing Allowance (LHA) level. Properties let at discounted rents should be prioritised for households in work that are not affected by the benefit cap.

Framework for a new Allocations Scheme

- 5.10 There are new freedoms in determining who to prioritise for housing, however, there continues to be an underlying need to consider housing need. The core aspects of the Housing Act 1996 were not repealed. This Act, sets out certain groups that need to be given reasonable preference:
- a) homeless households – including households found to be intentionally homeless or deemed not to be in priority need;



- b) people owed a certain homeless duties by any housing authority;
- 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; and
- e) people who need to move to a particular locality, a failure of which would cause hardship.

To this list the Localism Act 2011 added certain groups from the Armed Forces.

5.11 The Localism Act does provide Councils with significant leeway in determining who qualifies to join the housing register. Many boroughs have applied a residency criterion. Some boroughs have deemed households placed in temporary accommodation by another borough to be non-qualifying. Many boroughs have applied income or capital thresholds, on the basis that if households have sufficient income other options could be open to them.

5.12 The context in which we operate in is increasingly complex. Allocations of properties are inevitably about distributing scarce resources against huge demand. The proposals set out in this report seek to address a number of priorities:

- contribute to the regeneration of the borough;
- to continue to support those in most housing need;
- provide a vehicle to move vulnerable people into independent living;
- to make the best use of the housing stock;
- to support the ongoing need to reduce temporary accommodation;
- to assist in delivering other corporate priorities such as assisting looked after children;
- to offer choice but also to manage customer expectations; and
- to provide an efficient service – including the use of self-service where ever practicable.

Recommended Changes to the Allocations Scheme

Removal of Bands D and E

5.13 The Housing Register currently consists of 5 bands (bands A, B, C, D and E). In practice, no households in Bands D and E have been housed since the introduction of the existing Allocations Scheme in March 2011. Band E comprises of 2,300 households that are not in housing need. However, households in band D will have some housing need, although relatively low level. This change will help manage expectations and demand. Families continue to bid in lower bands that have no prospect of success.

5.14 A consultation exercise was conducted in the Summer 2013, As well as over 300 residents, VCOs and RSLs completing online questionnaires, submitting



responses in writing and by email, many took the opportunity to attend a special Homes for Haringey Tenants Panel, a Temporary Accommodation Users Forum, the Homelessness Forum and 2 focus groups where they were able to discuss the proposals face to face.

- 5.15 In terms of the views on the removal of lower bands, there was narrow support for this change. In terms of the question ‘Do you agree with our proposal to restrict entry to the housing register (known as the Council’s waiting list) to those who are in the most urgent need of housing?’: the responses were as follows:
- 45% stated that they agree with the proposal;
 - 44% stated they do not agree with the proposal;
 - 7% stated they do not know;
 - 3% held no view; and
 - 1% did not respond to this question.
- 5.16 Changes will need to be made to the qualification criteria to join the housing register to enable the removal of Band D:
- single people and couples, with a bedroom, but sharing facilities, with no other housing need, will not be deemed to be qualifying; and
 - tenants in the private rented sector, lacking one bedroom, with no other housing need, will not be deemed to be qualifying.

Applicants must be resident for at least 3 years before they are eligible to join the Housing Register

- 5.17 It is the intention to give priority to households that have a strong connection to the Borough. Most Councils, that have reviewed their Allocations Schemes following the enactment of the Localism Act, have introduced a residency criterion, ranging from 1 year to 10. It is considered 3 years strikes the right balance between prioritising local residents and not unduly penalising households that have more recently moved to the Borough.
- 5.18 The recommendation is that all applicants should currently be living in the London Borough of Haringey and have continuously lived here for a period of 3 years or more prior to joining the housing register. The aim of this change is to provide greater opportunities for local residents. Applicants who do not meet this criterion will not be eligible to join, other than the exceptions set out below.
- 5.19 Residents who have been living in Haringey for 3 years or more but have been placed in temporary accommodation by another local authority in order to meet a homelessness duty will not qualify (despite living in the borough for more than three years). Conversely if a household is placed outside of Haringey in temporary accommodation, where the authority has an ongoing duty under homelessness legislation, then that household will continue to be treated as being resident for the purpose of this qualification criterion.



5.20 In addition to the exceptions made with respect to homelessness, a number of other exceptions will apply to the residency criteria:

- Serving and former members or widows of members the armed forces and reserved forces whether or not they currently live in the Borough) excluding those that have been dishonourably discharged); and
- Lettings through mobility schemes to which the Borough is a member of, such as HousingMoves.

5.21 There was significant support for applying a residency restriction in the consultation exercise referenced in 5.14 above. In response to the question 'We propose to accept applications to join the register ONLY from households that have a strong connection with the borough having lived in Haringey for 3 years. Do you agree with this proposal?' The responses were as follows:

- 67% stated that they agree with the proposal;
- 22% stated they do not agree with the proposal;
- 6% stated they do not know;
- 2% held no view; and
- 3% did not respond to this question.

Local Lettings Plans

5.22 Local Lettings Plans can be used to respond to a range of issues relating to a particular area. They could be used to support the physical regeneration of an area, in particular relocating tenants. They can also be used to help tackle concentrations of deprivation in certain wards to support and encourage people into employment, and help to create balanced communities.

5.23 In order to create a sustainable community where there is a better balance between households that are employed and those that are not, the Local Lettings Policy can award additional priority to employed applicants. This additional priority could be applied through the Choice Based Lettings system, for designated wards. Working households prioritised in this way should be in Bands A, B or C, that is there is an identified housing need in addition to employment. However, the Council will still need to offer some of the homes in areas, subject to this local policy, to applicants who have, for example, an urgent medical or welfare need to live in the area or are in Housing Needs Band 'A' or are willing to give up a specially adapted or family home and move to accommodation in these wards that meets their current needs.

5.24 Local Lettings Plans will be used to support the regeneration of estates, by facilitating the decanting and relocation of tenants throughout the regeneration cycle. Schemes will differ in their type and phasing. Where the intention is



primarily to manage decanting requirements within and estate new build properties may be designated for tenants that are required to move. On other occasions tenants may be prioritised through the choice based lettings system.

5.25 The option of allowing residents to use the Choice based lettings system and then offering direct lets is the approach taken in many Estate Regeneration Schemes across London. For tenants to be able to realistically bid they must have sufficient priority within the allocations scheme. The Local Lettings Plan will set-out what priority will be given, households requiring a decant will need to be placed in the highest band, Band A. Direct offers will need to be made to households that have not managed to move through choice if the resident's home is due to be demolished in a year's time.

5.26 The Leader has agreed that decisions on Local Lettings Plans should be taken by the Lead Member for Housing and Regeneration in consultation with the Chief Operating Officer. Each Local Letting Plan will be subject to consultation, an equalities impact assessment and approval individually through the Cabinet Member signing process.

5.27 In terms of the consultation exercise the following question was asked: 'We propose that applications received from certain groups of people will be given priority over others who may have a similar level of housing need. These groups will be limited to current and former armed forces personnel and working tenants as part of specific localised regeneration schemes. Do you agree with this proposal? There was narrow support for this proposal. The responses were:

- 35% stated that they agree with the proposal;
- 33% stated they do not agree with the proposal;
- 26% stated they do not know;
- 4% held no view; and
- 2% did not respond to this question.

Assisting vulnerable single people to move to independence by offering social housing if needed.

5.28 The Pathway Model provides vulnerable single people with appropriate support, to develop the skills to live independently. As part of the pathway approach an assessment will be carried out to determine whether private sector or social housing is suitable, when the client is ready to move on. If it is deemed that the client needs to continue to be in a more supported environment then social housing will be prioritised.

5.29 Adopting the Pathway Model, will reduce the number of single people who become homeless and it will help the Council to reduce the number of



households living in temporary accommodation and help vulnerable people on the route to independence.

Reviewing the criteria for prioritising households for supported accommodation

- 5.30 In the context of the wider review of the Allocations Scheme it is appropriate to consider whether we are making best use of the supported accommodation stock for older people. This comprises of 1,360 units of accommodation: 931 units of sheltered accommodation and 429 units within the Good Neighbour Scheme.
- 5.31 Applicants for supported accommodation for older people are assessed and placed into priority bands. The current priority classification has been reviewed and consideration given to the concern that the current scheme gives insufficient weight to housing needs as well as support needs. In particular underoccupying tenants with support needs, that if rehoused would release a family unit to other households in need, some of which will be severely overcrowded
- 5.32 In developing a new scheme officers have aimed to strike a balance between support needs and housing needs. There is no intention to house households in supported accommodation that have no housing related support needs.

Additional quotas provided to assist Care Leavers with Children and certain members of the armed forces

- 5.33 The existing Allocations Scheme includes an annual quota of one-bedroom homes for Care Leavers. As some Care Leavers have children, it is proposed that CYPS is able to nominate Care Leavers to a small annual quota of two-bedroom homes. Criteria will need to be established for accessing the quota; these will be devised by CYPS in consultation with CHS.
- 5.34 It is recommended that a new quota is established for certain members of the armed forces. The Housing Act 1996 (Additional Preference for Armed Forces) (England) Regulations 2012 requires that priority will be given to members of the British Armed Forces if they have previously served in the last five years or are due to be discharged in the following six months from registration. This includes:
- Former members of the British Armed Forces not including those who have been dishonourably discharged from the service
 - Serving members of the British Armed Forces who need to move because of a serious injury, medical injury or disability sustained as a result of service
 - Bereaved spouse and civil partners of the British Armed Forces leaving Services Family Accommodation following the death of their spouse or partner



Creation of an Exceptional Circumstances Panel

5.35 The Allocations Scheme needs to set out in detail how applicants will be prioritised for housing. However, there will be exceptional circumstances that need to be considered. It is important that the Council should not fetter its discretion. It is recommended that authority for establishing the Exceptional Circumstances Panel be delegated to the Chief Operating Officer, in terms of: membership, procedures, monitoring and reporting lines.

Timing

5.36 Some of the changes outlined in this report can be made immediately. More complex changes will require changes to be made to systems and procedures, staff training and details of the changes will need to be publicised through a communications strategy. The following phased implementation is planned:

- Removal of Band D and E will be complete by April 2015;
- Applying a 3 year residency criteria will be complete by April 2015;
- The Local Lettings Plans can be agreed immediately according to the principles set out in the Allocations Scheme, subject to separate approval;
- The Exceptions Panel will be running from November 2014;
- The revised assessment process for supported housing for older people will be effective from December 2014.
- The quotas for Care Leavers and Armed Forces will be brought into the annual lettings plan for 2014/15.

5.37 It is our intention to adapt and build on existing systems that are geared towards self-service. When applying to the housing register, or when renewing the application on an annual basis, applicants do this through an online system. The choice based lettings system, run by Home Connections, is also an online self service system. Support for registration and bidding is provided for more vulnerable households. The system will be designed to give an early indication of whether households qualify or not, if they do not qualify other options may be applicable, and the system will point service users to applicable on-line resources.

5.38 The costs for implementation will be contained within existing budgets.

6. Comments of the Chief Finance Officer and financial implications

6.1 Removal of Bands D and E

The effective maintenance of a Housing Register involves keeping up to date information about the households to facilitate prioritisation and allocation of housing stock as it becomes available. Data such as the number of members in a household and therefore size of unit required, for example, has to be regularly updated. This can be quite expensive with no added value for families that are



currently in bands D and E. Removal of bands D and E should reduce the maintenance costs associated with the Housing Register. If it succeeds in managing expectations and demand it should also reduce the number of enquiries to the allocations team from households seeking feedback as to their ranking within the Housing Register. This should also contribute to a reduction in costs.

6.2 Applicants to be resident for minimum of Three years

The impact of this will be to increase the supply of stock to residents meeting this criterion. It will also increase the number of units potentially available in which to place Haringey's homeless clients. This should act to contribute to a reduction in the number of homeless households in the borough together with the costs associated with temporary accommodation.

6.3 Local Lettings Policy

The number of units affected by this change in policy is not likely to be significant. Prioritising working households in a local allocations policy may result in fewer tenancies being made available to Haringey's homeless clients currently living in temporary accommodation and may therefore have a negative impact on the cost of temporary accommodation. There may also be some additional administrative costs associated with ascertaining the employment status of residents on the housing register.

6.4 Support Estate Renewal by prioritising Decants

This should have a positive impact on reducing the voids costs associated with an estate renewal programme as the overall average time stock remains void should be reduced. It will also remove a potential barrier to delivering capital schemes within required timescales. The requirement to pay these tenants Homeless and Disturbance payments will impact significantly on the Housing Revenue Account and the required provision would have to be made as a part of the overall costs of a renewal scheme.

6.5 Prioritise single vulnerable people being supported through Pathway Model

This will reduce the numbers living in temporary accommodation and the associated costs.

6.6 Additional Quotas for Care Leavers with children and families connected with Armed Forces

It is possible that households connected with the armed forces will be residents who do not currently live in Haringey and this policy may have a negative impact on the availability of stock for clients currently living in temporary accommodation and the associated costs. The numbers involved are however set to a quota and are likely to be insignificant.



7. Comments of the Assistant Director of Corporate Governance and legal implications

- 7.1 The Assistant Director of Corporate Governance has been consulted in the preparation of this report.
- 7.2 The Council is required in accordance with the Housing Act 1996 to have and to publish an Allocations Scheme, setting out how it determines priorities for allocating housing accommodation and the procedures to be followed. All allocations must be in accordance with that Scheme.
- 7.3 Before making any major change to its Allocations Scheme such as the proposed amendments, the Council is under a statutory duty to consult private registered providers of social housing and registered providers with whom we have nomination rights. An Equality Impact Assessment is also necessary to ensure that proposals comply with the Council's Equality Act 2010 duties.
- 7.4 The Localism Act 2011 gives the Council a wide discretion in determining which classes of persons qualify to join the Scheme, but it must be framed to ensure that certain applicants are given reasonable, and others additional, preference and the Council must have regard to its homelessness and tenancy strategies when framing its Scheme.
- 7.5 Statutory Guidance encourages Councils to consider the need to provide for exceptions from any residency requirement e.g. so as not to impede labour market mobility. Certain members of the armed forces must be excluded from such requirements. The Guidance also urges Councils to take advantage of the wide scope in framing the Scheme to meet local needs and local priorities and to consider how the policy can support those households who want to work or who are contributing to their community in other ways. The proposed amendments to the policy are therefore in line with the Statutory Guidance.
- 7.6 For secure tenancies created before 1st April 2012 succession rights apply to a wide range of family members. For secure tenancies created after that date, the right of succession is restricted to spouses, civil partners and those in equivalent relationships. An amendment to the terms of the Council's secure tenancy agreement, in accordance with the procedures under s103 Housing Act 1996, would be required to extend the rights to other family members.

8. Equalities and Community Cohesion Comments

- 8.1 The Council has a duty to have regards to its general equality duty in all its functions and activities and does this through equality impact assessment of all key proposals before a decision is made.



8.2 The proposals contained in this report have been subjected to a full equality impact assessment from which the following conclusions have been drawn in regard to the protected characteristics covered in the impact assessment:

8.3 In the regard to Age and Disability, the impact is likely to be positive. For the elderly, the assessment process for sheltered accommodation will be more holistic and will cover their housing as well as other needs. For care leavers with children, there will be improved outcomes. Disabled and vulnerable households are prioritised in the proposed allocation scheme and overall, should benefit from improved long term outcomes from the proposed changes.

8.4 In regard to the other protected characteristics covered in the equality impact assessment (i.e. race, sex (formerly gender), religion and belief, sexual orientation and gender reassignment), the impact is likely to be neutral for the following reasons: Black households and female headed households are over-represented on the housing register and on the priority band A and B in the current and in the proposed schemes and will therefore not experience any additional impact as a result of the changes.

8.5 There is insufficient housing data on the protected characteristics of religion or believe, sexual orientation and on gender reassignment to make as reliable assessment. It nonetheless expected that on the basis of their respective relative size in the borough population, the changes proposed will produce no disproportionate adverse effect on any of these groups.

8.6 The equality impact assessment which found on the whole, and relative to their respective size in the borough's population and on the housing register, no group will be disproportionately impacted by the proposals.

8.7 Potential equalities impact is noted in terms of succession rights. The mitigating action is that all non-statutory succession requests will be considered by a dedicated panel. The panel will monitor and analyse equality impacts.

8.8 The Equality Impact Assessment will be published on the Council's website when sign-off is completed but in the meantime can be obtained upon request to the author of this report.

9. Head of Procurement Comments

9.1 Not applicable.

10. Policy Implication



Haringey Council

10.1 The aim of the changes set out in this paper is to support the delivery of a number of priorities as set out in paragraph 5.12.

11. Reasons for Decision

11.1 See 5.12 above.

12. Use of Appendices

12.1 Appendix A – The proposed Allocations Scheme

13. Local Government (Access to Information) Act 1985

13.1 None