

THE EXECUTIVE

Tuesday, 27 January 2004

Open Reports

Agenda Item 13a More Choice in Lettings (Pages 1 - 11)

**Agenda Item 13b Homelessness Acts and Houses to Transfers
(Pages 13 - 16)**

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THE EXECUTIVE**27 JANUARY 2004****REPORT OF THE DIRECTOR OF HOUSING AND HEALTH****MORE CHOICE IN LETTINGS****FOR DECISION**

This report is submitted to the Executive as it contains proposals for changing an important council policy.

Summary

This report details the principles of More Choice In Lettings, outlines the alternative preference systems in operation, proposes a programme of consultation, and provides two cost options; working through the existing East London Lettings Consortium, and a stand alone Barking and Dagenham system.

It seeks Members approval to a change in policy and the process of consultation prior to a final report on the scheme being presented to Members for decision.

Recommendations

The Executive is asked to:

1. Adopt a More Choice in Lettings (MCIL) policy based on a date order model using 3 bands;
 - a) a 'non active' band for those households who do not fall into a reasonable preference category;
 - b) an emergency or 'additional preference' band for those households who cannot continue in their present home; and
 - c) a 'reasonable preference band' for all other households.
2. Decide whether to:
 - a) appoint the East London Lettings Consortium (ELLC) to administer the scheme in conjunction with LBBB as outlined in para 4.6 or;
 - b) Develop our own scheme as set out in para 4.5 and note that budget provision of £73,000 on more choice is already contained in the 2003/2004 budget of Landlord Services
3. Agree the public consultation process outlined in paragraph 6.3 of the report;
4. Agree arrangements for transitional protection as outlined in paragraph 3.1 of the report;
5. Agree the Tenants Incentive Scheme outlined in paragraph 5.1 of the report; and
6. Note that the budget provision of £30,000 is already contained in the 2003 / 2004 budget of Landlord Services.

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1. Introduction

- 1.1 Barking and Dagenham was a founder member of the East London Lettings Consortium made up of Barking and Dagenham, Newham, Redbridge and Waltham Forest. The council's choice system was based on maximising the areas of Barking and Dagenham that applicants could prioritise on their application, and shifting all applicants to one of three broad 'bands', in preference to the finely graded points system. However, as further work was carried out on these proposals it became clear that the multiplication of areas of choice generated a highly complicated administrative process and would be difficult for applicants to understand. In response to these concerns members received a presentation of the Newham system. Following that presentation members made a decision in principle to pursue more choice in lettings, and requested further information on the range of choice based systems in operation. At the Executive meeting on July 20th 2003 it was decided to suspend the move towards a banded allocation system and that a programme of consultation should be undertaken on more choice in lettings.
- 1.2 This report explores further the principles of MCIL, outlines the alternative preference systems in operation, proposes a programme of consultation, and provides two cost options: working with the existing East London Lettings Consortium, and a stand alone Barking and Dagenham system.
- 1.3 It should also be noted that MCIL is in line with the government's wish to see more tenant and applicant choice in the operation of social housing. This is part of the overall drive to build on the legacy of previous labour governments by modernising the welfare state in the light of changing social conditions and culture. The present tenants of social housing and the applicants for social housing exercise consumer choice in some form or another everyday, but gaining access to a council home is to experience an almost total absence of choice. This, among other things, has led to a steep decline in the popularity of social housing, with most people with any choice avoiding the sector if they can. Choice-based letting is one element of the government's desire to modernise the welfare state. The government recently announced that they expect that all authorities will be running a system of this type by 2010.
- 1.4 The application of information and communications technology to customer access in the MCIL systems fits very closely with the council's customer access plans in the Customer First Initiative. Indeed MCIL will effectively act as a precursor for the wider system changes envisaged in Customer First – the driving principle for both MCIL and Customer First is ease of customer access to information and advice through the effective use of new technology. In particular MCIL will achieve remote access to the service through the location of Internet Kiosks in a variety of locations around the borough. Through this initiative it will be possible to assess customer feedback on the use of internet kiosks and thus assist with the planning of Customer First.

2. The Principles of MCIL

- 2.1 The existing points based allocations systems have developed over the past 30 years in an effort to ensure that local authorities' lettings schemes take account of relative need in the allocation of council and Registered Social Landlord (RSL) homes. Unfortunately the desire to ensure that those in greatest need should get priority access to a council or RSL home has led to a highly bureaucratic process which drains all free choice from the system. This generates dissatisfaction on all sides.
- 2.2 Points systems try to take account of the huge variety of different housing needs, with the result that they are inevitably very complex, and difficult to understand. In particular applicants find it extremely frustrating that they cannot be told with any certainty how long they are likely to have to wait. As new applicants with 'greater needs' join the system so existing applicants can be 'leapfrogged'. Because the time you might have to wait to be re-housed is determined by the flow of future applicants it is not possible to predict waiting time with accuracy. Because applicants can only take or leave what they are offered refusals are common. Having built up sufficient points to get an offer, applicants are naturally reluctant to accept a less than fully satisfactory property. In order to minimise refusals a penalty system is introduced; applicants who refuse a 'reasonable' offer commonly get suspended from the system. Amongst other things it is this penalising culture, which has brought council housing into disrepute.
- 2.3 But it is not only applicants who find this system frustrating, it is also very frustrating for housing staff who are constantly faced with managing the dissatisfaction that the system generates. The systems dysfunctions also generate an administrative burden. Where the access to a council home or a better council home is determined by needs points then it is inevitable that applicants will 'chase points'. This results in a round of GP's letters, consultants' letters and members' enquiries, which, more often than not, makes absolutely no difference to the applicant's chances of being rehoused. To deal with these problems points systems become increasingly complex with extra-needs, and extra-extra-needs categories introduced to cope with all the 'special' cases.
- 2.4 Most choice-based systems seek to overcome these problems by (a) abolishing the system of bureaucratic allocation and replacing it with a system of advertising available properties; (b) replacing the points system with a system based on broadly drawn 'needs' bands; and (c) removing, as far as possible, all penalties from the system. Applicants then 'bid' for the available property and in most systems the 'allocation' is determined by waiting time within the 'queue' formed for that particular property, with higher needs bands taking precedence over lower needs bands. Councils can manage the flow to different groups, e.g. to transfers or waiting list applicants by labelling the property for one group or groups or another. All systems use the internet and automated telephone systems for making bids in conjunction with a weekly or fortnightly property magazine.
- 2.5 Fundamental to making the system work effectively is feedback information from previous lettings rounds. Applicants can then see their prospects of getting their ideal property and can make an informed decision. Every edition of the property magazine contains information on the results of the last round of bidding; (see appendix 1) applicants can see the waiting time required for the range of properties let in that round and can begin making adjustments to their expectations based on

real information. These are the principles common to all choice based systems: the open advertising of available property; an open bidding process; and feedback on bidding results. However, within that common framework of principles a variety of different policy regimes operate.

There are a variety of methods of prioritising applications to ensure that MCIL conforms to the current legislation. These methods are outlined in appendix 1. Officers recommend the 'pure waiting time' system.

This has the advantage of transparency and it fits very closely with the existing Barking and Dagenham ethos where waiting time is already a major component of the lettings system. This is particularly pertinent in respect of the current policy which reserves houses almost exclusively to transfer applicants. There is some concern that this policy could open the authority to legal challenge. The proportion of ethnic minority households on the waiting list is likely to be significantly greater than on the transfer list, it is therefore possible that the policy could be indirectly discriminatory.

- 2.6 Fortunately however, the core principle of the pure waiting time method is that waiting time in less desirable property should be the most important element in determining the allocation of the most desirable properties. This matches very closely with the existing Barking and Dagenham policy where waiting time plays a very important role. MCIL based on the a date order system will ensure that the most desirable properties only go to those with the longest waiting time, but will put transfer applicants and waiting list applicants on the same footing. Applicants who have lived for say, 5 years in an unsatisfactory private rented property will not find themselves automatically in a less advantageous position in comparison with applicants who have been living in unsatisfactory public sector property. Such a policy will overcome the potential for a legal challenge presented by the current policy.

However, it should be understood that the application of waiting time does not mean that anybody can get access to a council property, regardless of need, simply by waiting long enough. To get access to the system every applicant must establish that they are in housing need. This is done by determining whether or not they fall into one of the preference categories established by the 1996 Housing Act. But even if an application does fall into a reasonable preference category the council can take the applicants income and assets into account. For example, an owner occupier may be able to show that their existing property is inadequate to their needs but the council will legitimately expect the applicant to meet that need from their own resources.

The situation is slightly different in respect of transfer cases. At the present time anybody who wants to go on to the transfer list can do so but their application will be pointed so those applicants who cannot establish any need are unlikely to be successful very quickly if at all. With the introduction of a waiting time system transfer applicants will have to establish that they fall into a reasonable preference category to gain access to the system. (This is a requirement of the 2002 Homelessness Act.

- 2.7 For these reasons it is recommended that the date order system should be adopted, and that the existing policy of houses only to transfer applicants be ended.

2.8 The council's community priorities will not be affected by these changes to lettings policy. For example the needs of prospective foster carers will be protected. The overall effect of MCIL will be to develop rights and responsibilities within the local community.

3. Transitional Protection

3.1 If the single band system is to work effectively, then the number of applicants who are made offers of accommodation outside the system must be kept to an absolute minimum. That is, as far as possible, an offer outside the system should only apply in emergency situations, for example a medical emergency, or because of threats of violence. In which case some households currently accepted as 'override cases' would not be accepted in the new system, they would be expected to bid using their waiting time along with everybody else in need of a home. In some cases households who currently have override status but little waiting time might lose out, and given that they expected to be offered a new home under the override system this could be considered unfair. In order to avoid this it is proposed that current override cases likely to be affected should get a direct offer of appropriate accommodation within the next two years. These cases will therefore for a period of two years have two routes to re-housing, a direct offer and access to the bidding system. It is estimated that transitional protection will need to apply to not more than 60 households. In addition other categories of override where the council interest is furthered by a move will receive direct offers, e.g. decants, children leaving care etc.

4. Costs

4.1 This is not a developed market and therefore not many hard line solutions are available.

4.2 Outlined below are two cost options. The first is the costs of developing a choice based letting system ourselves using the Novalet system entirely independently of the ELLC. The second is the cost of setting up a separate Barking and Dagenham lettings process through the ELLC consortium.

4.3 Joining ELLC does not mean we have to share nominations with any other borough, or mean we have to compromise our lettings policy in anyway.

4.4 As can be seen the cost of option 2, working with the existing east London consortium, is significantly cheaper than the independent option. It would also the risks associate with developing a scheme from scratch and keeping this up to date. Members are asked to consider which option to choose.

4.5 Cost option 1

Non Recurring Costs

User licenses for the Novalet software for LBBD and RSL partners	25,500
Implementation support including configuration, Installation, testing, report production and Post implementation support	£23,400

Design of Web site, property magazine and Property advert	£ 4,375
Two days training	£ 1,300
Interfaces to in-house systems, including Telephony integration	£11,924
Total	£66,499
Internet Kiosks x6	£18,000
IT costs in house	£15,000
Consultation (estimate)	£10,000
Publicity (estimate)	£ 5,000
Printing (new forms etc, estimate)	£ 5,000
Total non recurring costs	£119,499
Recurring costs	
Property Magazine (fortnightly)	£62,650
Software Maintenance (without remote access)	£18,000
Computer telephony service, including line Rental for 8 line solution (2 year contract).	£20,000
Total Annual cost	£100,650

4.6 **Cost Option 2**

Non Recurring costs

Novalet Licence fee	£ 15,000
Implementation consultancy (Costs dependent on support required but £20,000 is a maximum.)	£ 20,000
Internet Kiosks x 6	£ 18,000
Consultation (estimate)	£10,000
Publicity (estimate)	£ 5,000
Printing (new forms etc, estimate)	£ 5,000
Total non recurring	£73,000

Recurring Costs

Property Magazine	£62,650
Software support and maintenance	£ 5,000
Server hosting	£ 2,000
Total annual costs	£ 69,650

- 4.7 The target date for the commencement of the scheme is November 2004; these recurring costs will not be incurred until the start of the scheme and so will fall into financial year 2004/05.
- 4.8 The introduction of MCIL will necessitate a restructuring of the lettings function. Some of the existing functions will disappear as the automated bidding system will take over the task of matching applicants to properties, and, depending on the nature of the system adopted, most of the current work calculating points will also disappear. The new system should also generate a reduction in the day to day administration of the lettings system as refusals decline and there is less demand for staff to explain the system to applicants and deal with telephone enquiries. The work of nominating tenants to RSL's could reduce if RSL's connect directly with the web based bidding system. Some new tasks will be required, such as the advertising of property. The annual costs of MCIL will be contained within the existing Landlord Services budgets.
- 4.9 The one off cost of establishing the system will almost all be incurred in the financial year 2003/04, it is proposed that these costs be met from the HRA underspend consequent on the delay in the full implementation of the restructuring of Landlord Services.
- 4.10 The cost of advertising property in the property magazine is the largest part of the recurring costs. The ELLC are already considering means by which the cost of advertising can be reduced. In addition officers will investigate the possibility of advertising Barking and Dagenham properties in the Citizen and will report back to the Executive on this option.

5. Policy Changes

- 5.1 The current Barking and Dagenham lettings policy offers no incentives other than increased points to households under-occupying a council property. This has not proved very effective in persuading under-occupying households to move to a smaller property, and free up a large property for a household in greater need. It is therefore proposed that the following scheme of financial incentives should be introduced.
- | | |
|---|-------|
| <input type="checkbox"/> Giving up 3 bedrooms, e.g. moving from a 4 bed to a 1 bed: | £5000 |
| <input type="checkbox"/> Giving up 2 bedrooms | £3500 |
| <input type="checkbox"/> Giving up 1 bedroom | £1000 |

In the first instance this policy will only apply to: 2/3/4 bed houses, ground floor 2/3 bed flats with gardens and ground floor 2/3 bed maisonettes with gardens. A review of the success of the policy will be carried out at the end of one year.

5.2 It is further proposed that a maximum annual budget of £30,000 should be established to implement this policy.

6. Consultation

6.1 Before the implementation of a substantial change in policy is carried out the law requires that the authorities secure tenants and waiting list applicants should be consulted.

6.2 Some initial consultation has been carried out. Two presentations have been made to an invited audience of staff and tenants. These presentations generated a lively debate and the response was generally positive.

6.3 If Members agree the principles of the MCIL policy as set out in this report the following further programme of public consultation is proposed.

- An article on the proposed MCIL system in the Citizen, with a request for feedback.
- Citizen article on the authority's website with provision for online feedback.
- A personal letter to all tenants and waiting list applicants explaining the proposed new system and again asking for feedback.
- An article on the proposed system in People Matters
- Presentation of the proposed system to each of the Community Housing Partnerships.

Members will also be consulted during the process of developing the new policy and a full report will be presented to the Executive on the final proposals for approval.

6.4 In addition the authorities partner RSL's, and Voluntary Sector organisations dealing with special needs will be consulted.

7. Conclusion

7.1 The MCIL pilots have proved popular with tenants and staff, in many instances have contributed to a reduction in void turn round times, and have reduced costs. Perhaps the most important benefit- is the improvement in the quality of service to tenants. The use of new technology has made possible a new approach which brings an entirely new element of choice and self determination into one of the most important elements of housing management and in that process can promote a different relationship between the council and its tenants. MCIL is another important improvement in the quality of service provided by Barking and Dagenham to its residents.

1. Managing reasonable preference

- 1.1 All lettings systems must take account of relative need. This is enshrined in legislation. The law requires that 'reasonable preference' should be given to applicants with particular needs. The lettings system must ensure that such applicants be in a preferential position with regard to applicants without preference. The choice based pilots ensure the application of reasonable preference in a variety of different ways.
- 1.2 The Newham system is the simplest and easiest to explain and understand. Newham has, effectively, only two categories of applicant. Those with a reasonable preference, and those with both a reasonable preference and an urgent need to be rehoused. There is obviously a third category which is those applicants who would like to have a council or RSL home but who do not fall into a reasonable preference category. While these cases may be on the system they are excluded from bidding. There is provision for making offers to non 'RP' cases but only where there are no other bidders. The urgent category is very tightly drawn and only applies in those cases where the applicant simply cannot live in their current home. This may be because of medical problems made worse by the home, or where a household is suffering harassment and simply cannot continue in their home because of the imminent danger of violence. In urgent cases direct offers are made, and a one offer only policy generally applies. Urgent cases, can, of course, also use the bidding system. The bidding system in Newham thus applies to all applicants or transfer cases falling into a reasonable preference category, and only those applicants or transfer cases.
- 1.3 The London Borough of Redbridge operates a variation of the above system. In the Redbridge system there are essentially two categories of applicant, as in the Newham system. The difference is that instead of an 'urgent' group Redbridge has an 'additional preference' group. However, in practice the additional preference group is an 'urgent' group with a different name. As in the Newham system 'additional preference' is very tightly drawn. A further, and perhaps more important difference, is that applicants falling into the 'additional' preference' group are only made direct offers in exceptional circumstances. In general 'additional preference' applicants use the bidding system. At the close of bidding those applicants with 'additional preference' are ranked above applicants with reasonable preference or with no preference, irrespective of length of waiting time. Waiting time then applies to those applicants in the 'AP' category.
- 1.4 The west London consortium, (the London boroughs of Hillingdon, Hounslow, Harrow, Ealing and Brent) (called Locata) operates a variation where applicants are placed in one of four 'priority bands'. These bands correspond roughly to urgency of need, in effect the previous points system has been converted in to a set of broad bands. Bidders for a property are automatically ranked by band, that is, a bidder from a higher band will always outbid a bidder from a lower band irrespective of waiting time, as in the Redbridge system. Only when the band ranking has been done does waiting time apply. The west London scheme has also retained a paper based application. Applicants can send in a coupon to make a bid.

- 1.5 The Camden system has added advertisements and bidding to the existing points based allocation system. All Camden applicants are awarded needs points by officers as in the traditional points system. When properties are advertised applicants bid in the usual choice based fashion but the system ranks applicants by their points level, waiting time will only have a determinant effect when more than one applicant for a property has the same level of points. Currently the Camden system only applies to property on two housing areas, in the rest of Camden the traditional allocation system still applies.

2. **Homelessness**

- 2.1 When Choice Based Lettings was being introduced some two years ago the issue which caused the most anxiety for the those pilot authorities in high demand areas was the management of homelessness. There was a general concern that the system should not have a negative effect on the authorities ability to manage the rehousing of homeless households.
- 2.2 Different council's have managed the rehousing of homeless households in different ways. In Newham the vast majority of applicants accepted as homeless are placed in leased temporary accommodation, from where they can bid for properties using their waiting time.
- 2.3 In the west London system homeless households are placed in one of the top three bands depending on the urgency of their circumstances. Households in satisfactory leased accommodation are placed in the third band. In cases where a household in B&B or hostel accommodation fails to make a successful bid within 40 weeks then a direct 'one reasonable offer' policy comes into effect.
- 2.4 In Camden homelessness generally attracts a high level of points, but, depending on where the homeless household is housed, and the pressure to ensure a move, the points level increases with time. In all cases authorities monitor very closely the effects on homelessness in order to ensure that costs are effectively managed. So far the experience of the London pilots is that Choice Based Lettings has not had a detrimental effect on homelessness and there is some evidence that it is having a positive effect.

3. **The Pros and Cons of the Policy Variations**

- 3.1 The great advantage of the Newham system is its simplicity and transparency. In Newham every property that is advertised will be offered by length of waiting time and length of waiting time only. Those households who have an urgent need of rehousing will get a direct offer and the property they are offered will not be advertised and will not therefore be available for bidding. The Newham system avoids almost completely the problem of 'leapfrogging', when an applicant bids for a property then he/she can be sure that if they have been waiting the longest of all the bidders then they will get first refusal. The disadvantage is that there is a proportion of properties (currently around 20% of allocations) which are not available for bidding. Also the Newham system makes no attempt to make finely graded judgements of need and this could be seen as disadvantageous to some needs groups. On the other hand, from another perspective, this can be seen as an advantage. It reduces to an absolute minimum the problem of 'points chasing'. The 'urgent' category is very clear so it is virtually impossible to add

'incrementally' to need until you become an 'urgent' case. You can either live in your home or you can't.

- 3.2 The Redbridge variation has the advantage of keeping all properties in the bidding system, but at the cost of losing transparency. Some bidders do not have to rely only on waiting time.
- 3.3 The Locata system again keeps all the properties in the bidding system, but the broad banding opens the way for 'band' chasing. Hillingdon, for example, has a Social Welfare Panel for hearing 're-banding' appeals. And, of course, it may not be waiting time that counts so there is a loss of transparency in comparison with the Newham system.
- 3.4 Camden has the advantage of enabling finely graded need awards and making allocations accordingly, but at the cost of keeping a large amount of the control over who gets what with officers rather than with applicants. With the corollary that the system is hardly more transparent than the old allocation system and points chasing must continue.
- 3.5 If Barking and Dagenham were to pursue the Camden model there would be minimal policy changes required, the current points system could be grafted onto the existing ELLC choice system. However, there would be very little increase in transparency for the applicant, a continuation of points chasing and little opportunity for cost reductions. The Camden model is not recommended.
- 3.6 The Locata system of 4 bands does reduce points chasing and is a system where all properties are advertised, however, officers are still involved in allocating to bands and so 'band chasing' can develop. The system is necessarily less transparent than the Newham system because 'leapfrogging' can still occur. The Locata system offers few policy or practical advantages in comparison with either the Newham system or the Redbridge system.

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THE EXECUTIVE**27 JANUARY 2003****REPORT OF DIRECTOR OF HOUSING AND HEALTH**

HOMELESSNESS ACT AND HOUSES TO TRANSFERS		FOR DECISION
<p>This report is to request that the Executive agree changes to the Council's Allocations Policy.</p> <p><u>Summary</u></p> <p>As a result of the new Homeless Act 2002 coming into operation in January 2003 the Council is required revise its current allocations policy to conform with the law. In effect Councils no longer need to keep a housing register and for those of who do they cannot impose any 'blanket exclusions'. For Barking & Dagenham this refers to owner occupiers and the policy therefore needs to be changed to take into account the new legislation.</p> <p><u>Recommendations</u></p> <p>The Executive is asked to agree:</p> <ol style="list-style-type: none"> 1. To adopt an open housing register and to delete the exclusion of owner occupiers and the residence qualification from the council's allocations policy; 2. To adopt the local connection categories as outlined in paragraph 2.2 of the report; 3. To adopt the policy in respect of assets and priority outlined in paragraph eight; 4. To delete section 12.1 from the council's allocations policy; and 5. That with the introduction of the new policy the outcome of allocations between different ethnic groups should be monitored and reported to council annually. <p><u>Reason</u></p> <p>To alter the Council's allocation policy in order to comply with new legislation.</p>		
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1. Background

- 1.1 All the provisions of the Homeless Act 2002 came into operation in January 2003. This Act allowed councils to not keep a housing register if they so wished. The effect of such a decision would be that the council's rented housing would be open to all applicants. The Act also provided that those council's who did wish to keep a housing register could do so but they could not impose any 'blanket exclusions'

from that register. The Barking and Dagenham allocations policy currently excludes owner-occupiers from registering on the housing list and applies a residence qualification of one year before an applicant can be registered.

- 1.2 For a variety of reasons the council needs to revise its allocations policy to bring it into line with the 2002 Act. The principal reason is the decision to introduce a new allocations system and then the subsequent suspension of that action, while a new More Choice in Lettings scheme was developed.
- 1.3 It was intended that this situation would be regularised when the council received the report on More Choice in Lettings. It is now urgent that the relevant provisions of the Homelessness Act be adopted. This report seeks to bring the council's allocations policy into line with the provisions of the 2002 Homelessness Act.

2. An Open Housing Register

- 2.1 At the present time the council's housing register is not open because it excludes owner occupiers and imposes a 'blanket' residence qualification. The council must abolish these blanket exclusions.
- 2.2 The 2002 Act recognises the need to manage allocations in a sensible fashion in an area of high demand like Barking and Dagenham. Clearly it would not be workable if the register was completely open. The Act enables local authorities who so wish, to give additional preference to those applicants from outside the local authority area who can show a local connection. It is proposed that the following categories of local connection should be adopted.
 - Having lived 3 out of the last 6 years in Barking and Dagenham
 - Having lived 6 months out of the last 12 in Barking and Dagenham
 - Working in Barking and Dagenham
 - Having close relatives who currently live in Barking and Dagenham and have done so for at least the last five years. (Close relative is defined as parent, children, brothers or sisters).
 - Having been placed in temporary accommodation outside the borough by the council or the local health care trust and with the council or the trust providing continuing support services, or having accepted a duty under the homelessness legislation.
 - Having been referred to a women's refuge outside the borough by the council or other Barking and Dagenham organisation, and having lived in Barking and Dagenham immediately prior to occupying the temporary accommodation.
 - Being a member of Her Majesty's Forces who either enlisted from an address in Barking and Dagenham in which she or he resided for a minimum of 3 out of the previous 6 years, or will have permanent employment in Barking and Dagenham on discharge.
- 2.3 Members should also be assured that the new openness of the register to owner occupiers will not immediately enable them to receive offers of accommodation. The existing points system will not award points to those who are already adequately housed, except where specific medical or disability needs apply.

2.4 However, at the present time this situation is made more complex because the current policy in respect of owner occupiers and those with substantial financial assets is tied to access to the housing register. Owner occupiers and applicants with financial assets of £25,000 are excluded from the register. This policy must now be revised so that the ownership of assets is related to award of priority rather than access to the housing register.

2.5 It is proposed that the council deletes the reference to assets in relation to the register and adopts the following policy:

‘Any applicant with more than £25,000 of assets will not be awarded any priority within the allocation scheme.’

The existing policy in respect of specific medical or disability needs will continue to apply.

2.6 These policy changes will be incorporated into the More Choice in Lettings scheme when it is adopted.

3. Reserving the allocation of houses to transfer cases

3.1 The second element of the current allocations policy which needs revision to fully comply with the Act is the policy which effectively reserves the council’s houses to the council’s existing tenants.

3.2 The current policy has recently been referred to leading counsel for an opinion on its legality. Counsel’s very clear opinion is that this policy is also in need of revision to comply with the Race Relations Act 1976 as amended which outlaws policies which are likely to have, either directly, or indirectly, a discriminatory effect in access to rented housing.

3.3 The policy contained in section 12.1 of the council’s published allocation policy may potentially have an indirectly discriminatory effect as the proportion of ethnic minority applicants on the housing register is greater than the proportion on the transfer list. Because there are far more white households on the transfer list than on the housing register you are much more likely to be offered a house, irrespective of need, if you are white than if you are black, or a member of another ethnic minority.

3.4 The Race Relations Act imposes a duty on all local authorities to make appropriate arrangements to secure that their various functions are carried out with due regard to the need:

- To eliminate unlawful discrimination
- To promote equality of opportunity and good relations between persons of different racial groups.

3.5 In order to ensure that the council conforms to this duty section 12.1 of the allocations policy should be abolished.

- 3.6 Under the existing policy on the distribution of allocations between transfer and housing register applicants a minimum of 35% - 40% of houses will be allocated to applicants from the register. This should ensure that the allocation of houses is reasonably fairly distributed between transfer applicants and register applicants, including homeless families.
- 3.7 To ensure that this policy is not discriminatory in practice the outcome of the allocations between different minority groups will be carefully monitored.

Background Papers

- Legal opinion from Jonathan Manning QC
- Barking and Dagenham Allocations Policies Document