

CABINET

18 December 2013

Title Housing Allocations Policy Amendments	
Report of the Cabinet Member of Housing	
Open Report	For Decision
Wards Affected: All	Key Decision: Yes
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Accountable Divisional Director: Ken Jones, Divisional Director of Housing Strategy	
Accountable Director: Darren Henaghan, Corporate Director of Housing and Environment	
Summary: <p>This report outlines several proposed amendments to the Housing Allocations Policy that are recommended to be made ahead of a full policy review. These amendments are urgently required to address:</p> <ul style="list-style-type: none">• Welfare Reform.• New regulations in respect of Armed Forces Personnel.• Criteria for the allocation of Council homes to be let above social rent levels in time for the first phase of these homes being completed and becoming available to let. <p>The full Housing Allocations Policy review needs to take full account of statutory guidance issued in October by the Department for Communities and Local Government (DCLG) in respect of Allocation of Social Housing post Localism Act.</p>	
Recommendations <p>The Cabinet is recommended to agree the following amendments to the Council's Housing Allocations Policy:</p> <ol style="list-style-type: none">(i) The assessment of bedroom number to be in accordance with housing benefit regulations, as set out in paragraph 2.1 of the report, and be applied to all cases held for assessment since the benefit regulations came into effect in April 2013;(ii) To allow discretion to the rule that an allocation of housing cannot happen if the applicant is in rent arrears, as set out in paragraph 2.2 of the report;(iii) To grant 'Additional Preference' status to housing applications from British Armed Forces personnel who meet the statutory criteria set out in paragraph 2.3.1 of the report;(iv) As a local choice measure, to extend the 'Additional Preference' status to those	

Reserve Forces personnel who meet the criteria set out in paragraph 2.3.3 of the report; and

- (v) The allocation of Council homes let above social rent levels, as set out in paragraph 2.4 of the report.

Reason(s)

To assist the Council to achieve its priority to 'Create thriving communities by maintaining and investing in new high quality homes'.

1. Introduction and Background

- 1.1 Housing Allocations policies are being reviewed nationally taking advantage of the Localism Act which offers authorities more opportunity and greater freedom to frame a policy that is responsive to local prevailing housing circumstances. The changes implemented so far in various authorities range from minor amendments to radical policy change.
- 1.2 Extensive consultation has been conducted over the last two years with a view to developing a new policy. However agreement is sought to make urgent amendments at this stage and prepare for a wider policy change in 2014/15 which will give us an opportunity to learn from others experience and challenges, and fully take account of newly published statutory code of guidance from DCLG.

2. Proposal and Issues

2.1 Adjust bedroom size assessment to fall in line with Welfare Reform, and to Facilitate 'Corporate Parenting'

- 2.1.1 The current allocations policy does not comply with new housing benefit regulations in respect of the bedroom size assessment. The amendments below are recommended to address this issue.

Current Policy - Parent/s with two children of different gender any age would be considered for 3 bedroom accommodation.

Amendment - Parent/s with two children of different gender under 10 years old will be assessed for 2 bedroom accommodation.

Current Policy - Two children same gender regardless of age would be considered for 1 bedroom accommodation.

Amendment - Adult children aged 21 or over may be considered for a bedroom each (up to a maximum of 5 bedroom property), however due to the scarcity of larger homes applicants may choose to forgo this option.

- 2.1.2 Amendments to housing benefit regulations have been issued to address the fact that approved foster parents may require an additional room for a foster child or children, in such circumstances the under occupation subsidy rule would not apply. It will also not apply where an adult child is in the armed forces even when deployed on operations. The Allocations policy amendments will be applied consistent with this regulation change.

2.1.3 These amendments will ensure the Council's Allocations Policy is aligned to Housing Benefit regulations in respect of bedroom size assessment to avoid households having a shortfall in housing benefit and being threatened with homelessness.

2.2 **Rent Arrears**

2.2.1 To mitigate the impact of welfare reform and to ensure we facilitate under-occupation moves to maximise best use of stock, agreement is sought to waive the blanket rule that requires applicants to have clear rent accounts in order to be allocated a move. Agreement is sought to allow a move where the applicant has arrears, if failure to do so would result in homelessness as a direct result of welfare reform, and where the household are likely to be found unintentionally homeless.

2.3 **British Armed Forces Personnel**

2.3.1 In accordance with the Council's Armed Forces Covenant and following new regulations requiring Local Authorities to respond positively to housing requests from Service Personnel, it is proposed that all qualifying personnel with urgent housing needs who fall within one of the categories below will receive 'Additional Preference' (the highest award of housing priority) to facilitate an early offer of accommodation.

- a) Those serving within the regular forces or who have served in the regular forces within five years of the date of their application.
- b) Those who have recently ceased or will cease to be entitled to reside in accommodation provided by the Ministry of Defence following the death of that person's spouse or civil partner where:
 - 1) The spouse or civil partner has served in the regular forces; and
 - 2) Their death was attributable (wholly or partly) to that service.
- c) Those who have served or are serving in the reserve forces and who are suffering from a serious illness or disability which is attributable (wholly or partly) to that service.

None of the above will be subject to any residential or local connection criteria.

2.3.2 Members are asked to note that the above will be applied by all Housing Authorities in England.

2.3.3 In addition to the statutory obligations referred to above, it is proposed that the Council extend the 'Additional Preference' status to those who meet the Council's residential or local connection criteria and who have served in the Reserve Forces for five or more years, in recognition of this Council's appreciation of and commitment to the British Armed Forces.

2.4 Allocation of Council affordable rented housing

- 2.4.1 The Council's programme of new build housing has a proportion of the homes to be let at rents above social rent levels.
- 2.4.2 By Minute 50 of the Cabinet meeting on 13 November 2012, it was agreed that Council houses and flats with rents at 50% market rent will be advertised in the Choice Homes magazine and on the website. Housing waiting list applicants will have the option to bid for these properties and they will be considered in accordance with the Council's Housing Allocations Policy.
- 2.4.3 It was further agreed that to be eligible for Council homes with rents at 65% and 80% of market levels applicants must be in employment and have sufficient household incomes to afford the rents. The following cascade of priorities for letting these homes was set:
1. Tenants of the Council and tenants of housing associations living in the Borough.
 2. Housing waiting list applicants living in the Borough.
 3. Residents of the Borough.
 4. People in employment in the Borough but who are not currently resident
 5. People in employment from outside the Borough.
- 2.4.4 Agreement is sought to amend this policy so that in the event of there being insufficient demand from categories 1, 2 and 3 above, the remaining homes be allocated to waiting list applicants from the borough to bid for regardless of income or employment status, and be shortlisted on the basis of housing need.
- 2.4.5 It is also proposed that the Council homes let at 65% and 80% of market rents will be, on the basis of a flexible tenancy of 5 years rather than a lifetime tenancy.
- 2.4.6 It is proposed that affordable homes above 50% rent levels are also allocated through Choice Homes. This approach will be transparent and will be a clear demonstration of the Council providing housing opportunities for working residents in the borough who do not ordinarily qualify for an allocation of social housing, often referred to as the 'squeezed middle'. It will also be an opportunity for working tenants who wish to transfer to a new build home.
- 2.4.7 An early marketing campaign will be essential to ensure all working borough residents are aware of the opportunity to join the waiting list with the express purpose of being able to access the bidding system for these properties.

3. Options Appraisal

- 3.1 An alternative option is to market the properties outside of the usual allocation process through the Social letting Agency using the same approach currently used to let Barking and Dagenham Reside properties; using Home Match as the registration vehicle and letting on a first come first serviced basis to those who have sufficient income. The Social Lettings Team will have the benefit of experience of letting the Reside properties, and although the tenancies offered will be flexible Council tenancies it will keep the process separate from the mainstream allocation

of Council housing. In the event that there is still insufficient demand they could be released back to the Choice Homes Team to be advertised.

- 3.2 The current housing regeneration programme runs through to 2015/16 with approximately 800 affordable homes to let. The funding for the Social Lettings Agency is available until June 2014 only. The adoption of this option will require funding for advertising in the media and meeting the cost of Home Match. This option is rejected.

4. Consultation

- 4.1 Extensive consultation has taken place over the last two years with Councillors, the local community, staff, external bodies and other stakeholders.

5. Financial Implications

Implications completed by: Carl Tomlinson, Group Finance Manager

- 5.1 The report seeks to update the Housing Allocations Policy in line with current guidance and requirements. There is no direct financial implication as a result of the report but the regulation changes that make these amendments necessary (such as welfare reform) will have a financial impact on the Council. The proposed amendments contribute to addressing this.

6. Legal Implications

Implications completed by: Maria Oshunrinade, Lawyer

- 6.1 The Housing Benefit Amendment Regulations (SI 2013/665) provides for the changes in the treatment of families of armed forces personnel. Adult children who are in the Armed forces but who continue to live with parents will be treated as continuing to live at home, even when deployed on operations.
- 6.2 The Housing Benefit Amendment Regulations (SI 2013/665) regulations were amended to allow an additional room for approved foster carers.
- 6.3 Legal Services will continue to advise and support Housing Advice as this policy progresses

7. Other Implications

- 7.1 **Customer Impact** - The extensive community consultation and analysis that took place with regards to the protective characteristics (Equality Act 2010) indicates that these proposals will have a positive impact on all groups.
- 7.2 **Safeguarding Children** - The recommendations in this report would have a positive impact on child poverty and will support the corporate parenting role.
- 7.3 **Health Issues** - The changes proposed in this report are designed to mitigate the impact on general health and wellbeing for families in the borough impacted by welfare reform.

Background Papers Used in the Preparation of the Report: None

List of appendices: None