

## Equalities Impact Assessment - Housing Allocations Policy

### Stage 1 – Scope of the Equality Impact Assessments about your piece of work

1 Directorate	Housing and Environment – Housing Strategy Division
2. Policy / Strategy / Service to be assessed:	Housing Allocations Policy
3. Lead Officer:	Anne Baldock, Group Manager - Housing Advice Service
4. Equality Impact Assessment Person / Team:	Teresa Evans, Equalities Officer Phil Canham, Research and Intelligence Officer
5. Date of Assessment:	July 2014
6. The main purpose and outcomes of policy/strategy / service to be assessed	The allocation of social housing is governed by the Housing Act 1996 (as amended by the Homelessness Act 2002). A review of the Housing Allocations Policy has been carried out in accordance with the Localism Act. The Policy sets out the way in which the Council allocates housing. The Council is required to give priority (known as reasonable preference) to certain categories of people and allow applicants to exercise choice in the allocation of social housing.
7. Groups who the piece of work should benefit or apply to.	If agreed the new Allocations Policy will apply to all new applicants seeking social housing from 3 <sup>rd</sup> November 2014 and a wide range of stakeholders including Housing Associations and other council departments.
8. Any associated strategies or guidelines i.e. legal/ national /statutory	Housing Act 1996 (as amended), Localism Act 2011 Equality Act 2010 Housing Strategy 2012-2017 Housing Business Plan Housing Needs Survey 2011 (supporting analysis used to inform this EIA available)

### Context

Council Housing stock in Barking and Dagenham has declined from approximately 40,000 homes to just over 19,000 during the last 20 years, whilst the waiting list has increased dramatically in the same period. Current waiting list demand is 13,500 with approximately 200 new applications consistently received each month. The number of council homes becoming available to let each year has dropped from 2,000 to around 600 in 2013/14. This is likely to continue to reduce as the borough's regeneration programme is ongoing until 2018 which has an impact upon the number of void properties available for letting until re-provision is fully realised.

Waiting list applicants are typically on a low income or benefit dependant therefore securing a home in the private sector is difficult as there is increasing demand for the available rented properties in this borough which still has one of the cheapest rent levels in London. This is evident by the number of working households moving to the rented sector in the borough. Consequently the Council is maintaining and administering a growing waiting list of applicants, many of whom have little or no prospect of re-housing.

### **Demographic Change – Knowing our Community**

The 2011 Census has shown that Barking and Dagenham has experienced significant demographic change between 2001 and 2011, especially in terms of age, ethnicity, religion, tenure and household composition. This change in Barking and Dagenham is part of the trend across East London which has been happening in inner London boroughs such as Newham and Tower Hamlets since 1991 and earlier.

The most significant points to note from the Census Key Statistics are:

- Increase in Borough population of 22,000 (**165,654 in 2001 - projection for June 2014 was 199,990**)
- Almost a 50% growth in 0-4 year olds
- A decrease in the White British population from 80.86% in 2001 to 49.46% in 2011
- An increase in the Black African population from 4.44% to 15.43%
- A rise in the Bangladeshi population from 0.41% to 4.14%
- An increase in all religious groups, except Christian and Jewish religions
- Growth in the proportion of Muslims from 4.36% to 13.73%
- Less people with no qualifications representing a 14.4% drop in numbers between 2001 and 2011
- Increase in lone parent households with dependent children to 14.3%
- Increase in Private Renting from 5.19% in 2001 to 16.59% in 2011.

During this period there has been a significant increase in demand for social housing, the waiting list has risen from 2,157 in 2001 to the current position of 13,500.

The borough is not unique in suffering from extremely high housing demand such that the difference between supply and demand means that Barking and Dagenham would need to deliver at least an additional 1,333 affordable homes per year for the next 5 years just to stand still (Housing Needs Survey 2011).

Current research shows that one of the key pressures for housing is the high levels of overcrowding across all communities within the borough, with particularly high impact upon the Black and Asian communities at 21.5% and 23% respectively (ONS Crown Copyright

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### The Legal Context

Every Local Authority in England is required to have an allocations scheme, which must operate within the legal framework set out in the Housing Act 1996 (as amended by Homelessness Act 2002). In framing their allocation scheme local authorities are required to give priority (known as reasonable preference) to certain categories of people and allow applicants to exercise choice in the allocation of social housing. The Allocations Policy must also give consideration to the Equalities Act 2010 in terms of eliminating discrimination but also our duty to advance equality of opportunity.

The Localism Act introduces additional powers and duties including;

- Power to decide who qualifies for an allocation of social housing, withdrawing the requirement to have an open Housing Register and recommending a minimum of 2 years residency qualification.
- Power to give priority to working households and those making a contribution to the community.
- Power to discharge homelessness duties in the private sector.

### Changes to the Barking and Dagenham Housing Allocations Policy

The last major revision of the housing allocations scheme was in April 2005 when the Council moved from a complex points system of direct letting to a more transparent choice based lettings scheme that was compliant with the Housing Act (as amended). There have subsequently been minor amendments to the scheme, the last of which was agreed by Cabinet in April 2014. These amendments addressed anomalies created by Welfare Reform and clarified the position in respect of the Council's duties to former and serving Armed Forces Personnel and in April agreed to a 10 year residency qualification.

Following a request from the Portfolio Holder for Housing this decision is under review and a shorter residential qualification considered. This EIA has been completed to reflect the impact of a range of residency periods. <b>Equality Impact Assessment on the proposed changes to the Housing Allocations Residential Qualifications</b>	
Proposed Change	Explanation
Restrict new applications to the Housing Register to those who meet a residential qualification	Until recently local authorities were not able to impose blanket residential criteria. However the Localism Act allows local authorities to determine who may join their register. Statutory guidance on social housing allocations strongly encourages all local authorities to adopt a minimum 2 year residency test as part of their qualification criteria. In accordance with the underpinning philosophy of the Localism Act Members have embraced the idea of a residency qualification to join the Housing Register. A residential qualification demonstrates a positive commitment to the borough and contribution to the life of the local community in terms of settling in the area.

	<p>This is particularly necessary given that the rental market in Barking and Dagenham is an attractive and affordable option for those seeking to rent privately in East London, who can at present then apply for social housing, and attract priority if they are over-crowded. The specific impact of Welfare Reform, in combination with the current dysfunctional housing market in London, is significant in relation to inducing migration of low income households from central and inner London to outer east London boroughs and beyond.</p> <p>The Council's Housing Strategy 2012 /17 makes a clear and strong connection between housing and its contribution to promoting the social and economic regeneration of Barking &amp; Dagenham. The review of the Council's Housing Allocations Policy is an opportunity to help deliver the objective within the Housing Strategy of producing social and economic regeneration through building thriving communities. Whilst delivering these outcomes it is important to analyse the equality profile of households who will potentially be effected by the proposed changes and assess this impact using the data available</p>		
	<b>Equality strand</b>	<b>Impact Positive (P) Neutral (N) Adverse Impact (AI) L/M/H</b>	<b>Explanation</b>
<p><b>Option 1:</b> Restrict new applications to the Housing Register to those who meet a residential qualification of <b>2 years</b></p>	All	Adverse Impact (L)	<p><b>Option 1 (BME Lower Impact) 2 year residency qualification</b></p> <p>A residency qualification of 1-3 years would be in keeping with policy decisions within the sub-region and compliant with the statutory code of guidance. Analysis of research carried out for the Housing Needs Survey shows that potentially 9.3% of households in the borough could be affected by a 2 year residency qualification if they wished to apply to the Council's housing register. Residents who have moved into the borough within the last 2 years:</p> <ul style="list-style-type: none"> <li>○ A very low proportion live in owner occupied accommodation (26.2%) with a much higher private rented percentage of 52.4%. Relatively few live in local authority households. (13.2%)</li> <li>○ A very low proportion is White British (22.1%)</li> <li>○ Most households are married/cohabiting with children (58.1%)</li> <li>○ 71.1% are in employment: 48.2% Full Time; 14.4% Part time; and 8.5% self employed. 18.0% are unemployed</li> </ul>

			<p>and available for work.</p> <ul style="list-style-type: none"> <li>○ A very low proportion are aged 45 years plus (4.6%) with 0.1% aged 60 years plus. 21.3 % are aged 0 to 5 years. The largest single group is 24 – 34 years (29.0%)</li> </ul> <p>This option has some impact on BME households but less than the adverse impact stated in options 2 - 4. Option 1 shows potentially 82% of current BME households could apply to the housing register.</p> <p>Given the aims of the policy change is to encourage individuals to make a home for themselves and stay in the Borough. Option 1 allows this criteria to be met whilst having a limited impact on BME households or other protected groups.</p>
<p><b>Option 2:</b> Restrict new applications to the Housing Register to those who meet a residential qualification of <b>3 years</b></p>	<p>All</p>	<p>Adverse Impact (L/M)</p>	<p><b>Option 2 (BME Low/ Medium Impact )</b>  <b>3 year residency qualification</b></p> <p>A residency qualification of 1-3 years would be in keeping with policy decisions within the sub-region and compliant with the statutory code of guidance. Analysis of research carried out for the Housing Needs Survey estimates that potentially 13% of households in the borough could be affected by a 3 year residency qualification if they wished to apply to the Council's housing register. Of residents who have moved into the borough within the last 3 years:</p> <ul style="list-style-type: none"> <li>○ A very low proportion live in owner occupied accommodation (33.8%) with a much higher private rented percentage of 49.6%. Relatively few live in local authority households.</li> <li>○ A very low proportion is White British (22.5%)</li> <li>○ Most households are married/cohabiting with children (59.4%)</li> <li>○ 73.4% are in employment: 50.5% Full Time; 15.4% Part time; and 7.5% self employed. 16.3% are unemployed and available for work.</li> <li>○ A very low proportion are aged 45 years plus (6.6%)</li> </ul>

			<p>with 0.9% aged 60 years plus. 21.3 % are aged 0 to 5 years. The largest single group is 24 – 34 years (29.0%)</p> <p>This option has some impact on BME households but less than the adverse impact stated in options 3 and 4. Option 2 shows potentially 78.3% of current BME households could apply to the housing register.</p> <p>Given the aims of the policy change is to encourage individuals to make a home for themselves and stay in the Borough. Option 1 allows these criteria to be met whilst having a limited impact on BME households or other protected groups.</p>
<p><b>Option 3:</b> Restrict new applications to the Housing Register to those who meet a residential qualification of <b>5 years</b></p>		<p>Adverse Impact (M)</p>	<p><b>Option 3 (BME Medium Impact) 5 year residency qualification</b></p> <p>Analysis of research carried out for the Housing Needs Survey shows that potentially 20.4% of households in the borough could be affected by a 5 year residency qualification if they wished to apply to the Council’s Housing Register.</p> <p>Data from the Housing Needs Survey shows residents who have moved into the borough within the last 5 years:</p> <ul style="list-style-type: none"> <li>○ A lower proportion live in owner occupied accommodation (45.2%) with a much higher private rented percentage of 40.9%. Very few live in local authority households.</li> <li>○ A very low proportion is White British (23.2%)</li> <li>○ Most households are married/cohabiting with children (62.1%)</li> <li>○ 78.1% are in employment: 55.2% Full Time; 17.5% Part time; and 5.4% self employed. 12.9% are unemployed and available for work.</li> <li>○ A very low proportion are aged 45 years plus (10.5%) with 2.7% aged 60 years plus. 18.3 % are aged 0 to 5</li> </ul>

			<p>years. The largest single group is 24 – 34 years (26.7%).</p> <p>Therefore the impact of this option will be to decrease the advantage current White British/Irish households have with regards to accessing the housing register and improve the opportunity of BME communities but will still leave <b>29%</b> BME households unable to register.</p>
<p><b>Option 4</b> Restrict new applications to the Housing Register to those who meet a residential qualification of <b>10 years</b></p>	<p>All</p>	<p>Adverse Impact (H)</p>	<p><b>Option 4 (BME Highest Impact)</b>  <b>10 year residency qualification</b>  Analysis of research carried out for the Housing Needs Survey shows that potentially 33.8% of households in the borough could be affected by a 10 year residency qualification if they wished to apply to the Council's Housing Register.  Residents with housing need across all equality strands will potentially be disadvantaged by option 3, and in particular residents from the BME community who are less likely to have 10 years residency. Research shows that of those residents who have lived in the borough for more than 10 years 79.6% are White British.  For Residents living in the borough for 10 years or more (Housing Needs Survey):</p> <ul style="list-style-type: none"> <li>○ A very high proportion live in owner occupied properties (65.6%), with only 3.8% living in private rented accommodation.</li> <li>○ A very high proportion is White British/Irish 79.6%</li> <li>○ A relatively low proportion are married/cohabiting with children 37.7%</li> <li>○ A very low proportion is in employment (54.7%) mainly because the large number of retired residents (29.4%). 9.1% are unemployed and available for work</li> <li>○ A very high proportion are aged 45 years plus (53.6%). 26.2% are aged 60 plus. Only 3.3% are aged 0 to 5</li> </ul>

years. The largest single group is the 45 to 59 year group (27.4%)

Therefore the analysis shows the impact of this option will benefit White British/Irish older people allowing them greater access to the housing register. **79%** of current White British households **will** qualify. This option will have a disproportionate adverse impact on almost half of the current BME households who have been living in the borough for less than 10 years as **47 % will not** qualify to register. These households are also more likely to be younger, in employment, not owner occupiers and living in private rented accommodation.



**Summary:** The evidence clearly shows all three options will have an adverse impact in varying degrees. Given the rapid demographic changes all options will have a disproportionate effect on BME communities to a greater or lesser extent - with a 10 year qualification having the greatest impact on this equality group.

*Comparison table showing the potential impact on current households – Percentage of current households who will **not** be eligible to register (source Housing Needs Survey 2011):*

<b>Household</b>	<b>2 year Option</b>	<b>3 year Option</b>	<b>5 year Option</b>	<b>10 year Option</b>
Estimated % of BME household	18%	21.7%	29%	47%
Estimated % of White British Irish household	4%	8.3%	17%	27%

It is also worth noting when imposing a residential qualification that there is a potential for this criteria to impact on encouraging individuals who are in employment to live and stay within the borough contributing to a thriving community and supporting the social and economic regeneration of the borough. The Housing Needs Survey results show for those living in the borough for ten years or more employment rates are 53.6% (there is a high proportion of over 60s within this group). 78% are in employment with a 5 year residency and 73.4% for 3 years. Although it is not possible to provide data regarding family make up, it is estimated a large proportion of the households who would not be eligible to register for housing will have dependent children. Therefore the longer the residential qualification the greater the potential impact on safeguarding, educational attainment and health issues.

**Mitigation**

The Statutory Guidance expressly highlights the need for local authorities to take proper account of special circumstances. It is important to note that this would include the need to protect people who are moving into the district to escape violence and would also include homeless families and care leavers whom the local authority may have placed outside of their district. There are also sound policy reasons not to apply a residency test to existing Council tenants seeking to move between authorities or wishing to downsize and current registered applicants will not be subject to the proposed residency qualification.

All applicants have a statutory right to seek a review of their housing application if they are dissatisfied with the Council’s decision not to accept them on to the housing register or where they have submitted fresh evidence.

Proposed change	Equality strand	Impact Positive (P) Neutral (N) Adverse Impact (AI) LOW/MEDIUM/HIGH	Explanation																								
<p>Options if insufficient employed households come forward:</p> <p><b>Option 1</b> Offer at social housing rent levels</p> <p><b>Option 2</b> Offer to employed applicants outside the borough</p>	All	<p>Neutral</p> <p>Option 1 positive on disabled people</p>	<p>Option 1 would have a positive impact on disabled people as the data shows disabled people are more likely to be unemployed. ONS data for January 2012-December 2012 2,400 of the disabled population (<b>19.1%</b>) were unemployed.</p> <p>The data below shows employment figures in line with the residential qualification options. This demonstrates the number of people who would be eligible to make applications for these properties if the other criteria are met:</p> <table border="1" data-bbox="1211 644 1778 922"> <thead> <tr> <th></th> <th>2 years</th> <th>3 years</th> <th>5 years</th> </tr> </thead> <tbody> <tr> <td>Employed</td> <td>71.1%</td> <td>73.4%</td> <td>78.1%</td> </tr> <tr> <td>Full time</td> <td>48.2%</td> <td>50.5%</td> <td>55.2%</td> </tr> <tr> <td>Part time</td> <td>14.4%</td> <td>15.4%</td> <td>17.5%</td> </tr> <tr> <td>Self employed</td> <td>8.5%</td> <td>7.5%</td> <td>5.4%</td> </tr> <tr> <td><b>Unemployed</b></td> <td><b>18.0%</b></td> <td><b>16.3%</b></td> <td><b>12.9%</b></td> </tr> </tbody> </table> <p>Option 2 - It is not possible to estimate the number of employed applicants from outside the borough. Offering access to employed applicants at above social rent levels from outside the borough would not have an adverse impact on any equality group.</p>		2 years	3 years	5 years	Employed	71.1%	73.4%	78.1%	Full time	48.2%	50.5%	55.2%	Part time	14.4%	15.4%	17.5%	Self employed	8.5%	7.5%	5.4%	<b>Unemployed</b>	<b>18.0%</b>	<b>16.3%</b>	<b>12.9%</b>
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