

CABINET ITEM COVERING SHEET PROFORMA

**AGENDA ITEM**

**REPORT TO CABINET**

**29 NOVEMBER 2012**

**REPORT OF CORPORATE  
MANAGEMENT TEAM**

**CABINET DECISION**

**Housing and Community Safety – Lead Cabinet Member – Councillor Steve Nelson**

**AMENDED COMMON HOUSING ALLOCATIONS POLICY**

1. Summary

The sub-regional Choice Based Lettings Scheme (Compass) operates under a common allocations policy. This policy is a statutory requirement and provides the framework for the allocation of social housing in Stockton-on-Tees, as well as the other Tees Valley authorities, and larger stock holding registered providers in the area who participate in the Compass scheme. The enactment of the Welfare Reform Act 2012, Localism Act 2011, and the revised Allocations of Accommodation Code of Guidance (July 2012) has triggered the need for a review of the current common allocations policy to ensure it is fit for purpose.

This report outlines the proposed amendments to the policy.

2. Recommendations

It is recommended that Cabinet endorse the proposed amendments to the Common Allocations Policy to be introduced from 1<sup>ST</sup> April 2013.

3. Reasons for the Recommendations/Decision(s)

1. To enable the Council to meet its commitments in respect of the existing Compass Sub-Regional Choice Based Lettings Scheme;
2. To ensure that the policy is fit for purpose in respect of statute and guidance that has emerged since the original policy was developed;
3. To ensure that the policy operation assists the Council in mitigating the impact of welfare reform;
4. To ensure that the policy is reflective of stakeholder feedback provided during the consultation process; and,
5. Formal approval is necessary to enable the ICT system to be updated with the policy amendments.

4. Members' Interests

Members (including co-opted Members) should consider whether they have a personal interest in any item, as defined in **paragraphs 9 and 11** of the Council's code of conduct and, if so, declare the existence and nature of that

interest in accordance with and/or taking account of **paragraphs 12 - 17** of the code.

Where a Member regards him/herself as having a personal interest, as described in **paragraph 16** of the code, in any business of the Council he/she must then, **in accordance with paragraph 18** of the code, consider whether that interest is one which a member of the public, with knowledge of the relevant facts, would reasonably regard as so significant that it is likely to prejudice the Member's judgement of the public interest and the business:-

- affects the members financial position or the financial position of a person or body described in **paragraph 17** of the code, or
- relates to the determining of any approval, consent, licence, permission or registration in relation to the member or any person or body described in **paragraph 17** of the code.

A Member with a personal interest, as described in **paragraph 18** of the code, may attend the meeting but must not take part in the consideration and voting upon the relevant item of business. However, a member with such an interest may make representations, answer questions or give evidence relating to that business before the business is considered or voted on, provided the public are also allowed to attend the meeting for the same purpose whether under a statutory right or otherwise (**paragraph 19** of the code)

Members may participate in any discussion and vote on a matter in which they have an interest, as described in **paragraph 18** of the code, where that interest relates to functions of the Council detailed in **paragraph 20** of the code.

### **Disclosable Pecuniary Interests**

It is a criminal offence for a member to participate in any discussion or vote on a matter in which he/she has a disclosable pecuniary interest (and where an appropriate dispensation has not been granted) **paragraph 21** of the code.

Members are required to comply with any procedural rule adopted by the Council which requires a member to leave the meeting room whilst the meeting is discussing a matter in which that member has a disclosable pecuniary interest (**paragraph 22** of the code)

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**REPORT TO CABINET**

**DATE 29<sup>th</sup> NOVEMBER  
2012**

**REPORT OF  
CORPORATE  
MANAGEMENT TEAM**

## **CABINET DECISION**

### **REVIEW OF COMMON HOUSING ALLOCATIONS POLICY**

#### **SUMMARY**

The sub-regional Choice Based Lettings Scheme (Compass) operates under a common allocations policy. This policy is a statutory requirement and provides the framework for the allocation of social housing in Stockton-on-Tees, as well as the other Tees Valley authorities, and larger stock holding registered providers in the area who participate in the Compass scheme. The enactment of the Welfare Reform Act 2012, Localism Act 2011, and the revised Allocations of Accommodation Code of Guidance (July 2012) has triggered the need for a review of the current common allocations policy to ensure it is fit for purpose. This report outlines the proposed amendments to the policy.

#### **RECOMMENDATIONS**

It is recommended that Cabinet endorse the proposed amendments to the Common Allocations Policy to be introduced from 1<sup>ST</sup> April 2013.

#### **DETAIL**

1. In accordance with the requirements of Part 6, Housing Act 1996, housing authorities must have an allocations scheme for determining priorities. The scheme, or policy, must include all aspects of the allocations process, and inform procedures to be followed when allocating housing accommodation. The duty to publish an allocations policy remains intact even where housing stock has been transferred to a registered housing provider. In framing their scheme or policy, housing authorities are expected to have regard to statutes, strategies and policies that are likely to have a significant degree of influence on the policy operation, such as Welfare Reform Act 2012, Localism Act 2011 and strategic tenancy policies.
2. The Compass sub regional Choice Based Lettings (CBL) scheme, and common housing allocations policy, shared by partners to that scheme, came into operation in 2009. Compass partners include Stockton-on-Tees Borough Council, all other Tees Valley local authorities, the main stock transfer housing partners, and larger registered providers in the area. A full list can be found in the amended Common Housing Allocations Policy at Appendix 1.

3. The review of the current Compass Common Allocations Policy (CCAP) took into account guidance on newer policy areas, as well as views that were submitted in a collective response to the Government's social housing and welfare reform consultation of stakeholders throughout Tees Valley – this included Compass applicants, tenants, housing and support services staff, and other relevant agencies. Following the review, a number of draft amendments were made, and these were then consulted on with a wide range of stakeholders including Members by each partner. Responses were received from 1132 individuals.
4. The consultation feedback has been considered by the Compass Steering Group, which features representative officers from all partners, and where appropriate, the stakeholder feedback has been incorporated into the amended policy.
5. The proposed changes to the CCAP are detailed in paragraphs 6 - 16 of this report. A reason for the amendment and the decision of the Compass partnership Steering Group that was reached following consideration of the consultation feedback is also detailed.
6. Eligibility to join the Housing Register  
Previously, the 'unacceptable behaviour test' within the Housing Act 1996 was used to assess the eligibility of an applicant to join the housing register of the Compass CBL scheme; this was repealed by the Localism Act, and housing authorities were given flexibility to determine who qualifies to join an allocation scheme. The consultation asked stakeholders to identify the types of behaviour that should disqualify an applicant. The majority of responses identified high level rent arrears and a range of serious and defined anti-social behaviour as compelling reasons for disqualification. The Compass partners agree with this and have further clarified the period of ineligibility, i.e. not being able to join the register, is limited to 12 months; this will allow an applicant an opportunity to demonstrate rectification of the issue that has previously prevented qualification, and to reapply anew. The partners intend to provide clear guidance to applicants, support services and frontline officers to ensure consistent interpretation of the policy.
7. Under occupation of Compass partner accommodation  
Due to housing benefit changes, people of working age with extra bedroom(s) will be subject to reduced entitlement levels, thus a contribution will need to be made by them for additional unoccupied bedrooms. Department of Work and Pensions (DWP) information shows the impact in the Tees Valley to be a 14% benefit reduction for those under-occupying by one bedroom, and 25% reduction if they are under-occupying by two+ bedrooms. Stakeholders agreed that tenants of Compass partners should be given additional priority on the scheme to help them to move to more appropriately sized and thus more affordable property. 53% of consultation responses as well as the Compass partners support this proposed amendment.
8. Under occupation of non-Compass partner accommodation  
For the reasons described at paragraph 7 stakeholders were also asked if tenants of non-Compass partners should be awarded additional priority. The response indicated 54% of respondents were against this policy change. The Compass partners, upon discussion, concurred that no change to the policy to include non-Compass tenants was needed, as it was necessary to prioritise partner tenants.

9. Alignment of bedroom requirements with changes to benefit entitlement  
The CCAP currently uses the Housing Act 1985 'bedroom standard' to determine whether an applicant is overcrowded or not, and the review highlighted that this should be replaced with DWP regulations on who and how many different household members may share a single room. It is a slightly more generous entitlement, and will ensure hardship issues are not created when assessing the amount of bedrooms an applicant needs. 70% of consultation responses and all Compass partners support this proposed amendment to the policy.
10. Awarding priority to people with general affordability issues  
As a result of changes to benefits entitlements, or other hardship factors such as reduced income, it is widely anticipated householders may struggle to afford to pay for their current accommodation. Stakeholders were asked if they considered it would be appropriate to give such households priority in the allocations scheme; there was a largely positive response (65%) to this, and the Compass partners also agreed to the proposed change.
11. Giving preference on the scheme to households in low-paid work  
Current housing and welfare policies are aligned with encouraging households to work. It is recognised that there has been a long standing issue of worklessness and benefit dependency in social housing. Stakeholders were asked whether they supported the principle of giving preference to households in low paid work, above others households not in work with similar housing needs. The majority (74%) of respondents in the consultation were supportive of this principle; the Compass partners agreed it was necessary to harmonise the allocations policy with broader Government policy and statute to help working applicant households gain housing, as well as encouraging non-working households to seek work. It is considered that this could help tackle some of the negative consequences and hardship issues caused by Welfare Reforms, and reduce the concentration of worklessness in social housing. The measure was also supported by Compass partners.
12. Giving preference on the scheme to households doing voluntary or community work  
The most recent Allocations Code of Guidance suggested local authorities may wish to award some preference to voluntary and community sector (VCS) workers who make a positive contribution to their community. Stakeholders were asked whether they agreed with this. A mixed response was received and around half (52%) supported preference to voluntary or community sector workers in the allocations scheme, but commented that it would be difficult to quantify the value of VCS work and apply this consistently and fairly within the policy operation. For this reason, Compass partners do not support a change to the policy.
13. Giving preference on the scheme to households who are prospective adopter, foster carers or special guardians  
In view of the wider benefits that can be yielded for local authorities, allocations guidance proposed that authorities use their allocations schemes flexibly to assist households who have commenced the process of adopting, foster or becoming a guardian. Stakeholders were largely supportive (64%) of amending to policy to enable preference to be given to prospective carer households, and the Compass partners also support this amendment as it is

accepted that this can increase opportunities for adoption or foster caring, and reduce costs associated with Children Looked After. It is acknowledged that there is a risk of deliberately under occupying properties until carer processes are completed, which can lead to affordability issues; provisions have been made, however, in recent DWP guidance on the use of Discretionary Housing Payments (administered by authorities) to meet any rent shortfalls in special circumstances such as these.

14. One Offer Policy

The current policy allows that three reasonable offers of accommodation can be made and refused before an applicant's priority banding will be removed. As part of the review, Compass partners felt there was a need to increase the overall efficiency of the lettings system. Social housing is a limited welfare resource and increasingly under pressure from high demand, loss of stock through Right To Buy and stock rationalisation. The number of refusals of property by applicants on our scheme remain high and almost half of all refusals are due to applicants disliking the area - despite having actively bid on a property there. Around 64% of stakeholders were not in favour however Compass partners are supportive of the one offer policy however Compass partners feel this is necessary to reduce wasted time and resource in the current system. This is also supported by the fact that applicants, including those who are vulnerable, are well supported through the scheme to make informed choices on where they want to live and that there is a right of appeal which allows applicants to make representation and request further offers be made to them. These provisions, and the policy change, will be well publicised to applicants.

15. Reducing priority of applicants who have worsened their own circumstances

In light of demand pressures on social housing, it was also identified that there was a need to tackle households who intentionally worsen their own circumstances to gain a higher priority on the scheme. The majority of consultation respondents were in favour of this measure (77%), and the Compass partners agreed that where there is such evidence, the priority should be reduced, and the policy should be amended to reflect this. These cases are rare and always investigated thoroughly before priority is reduced.

16. Allowing families to bid on any property type

Due to demand issues, and a shortage of family houses across the Tees Valley, it was proposed that families are allowed to bid on any property type which meets their bedroom requirements, including flats. 81% of consultation respondents are supportive of this amendment. All Compass partners wish to ensure the scheme remains flexible in meeting the housing needs of residents across the Tees Valley and support this amendment.

## **FINANCIAL IMPLICATIONS**

17. The proposed amendments to the CCAP will require changes to be made to the ICT system; the cost however is not excessive and is to be shared between all Compass partners.

## **LEGAL IMPLICATIONS**

18. The amended CCAP will enable the Council to meet new and existing legislative requirements in respect of the allocation of social housing.

## **RISK ASSESSMENT**

19. The proposed amended CCAP is categorised as low to medium risk. Existing management systems and daily routine activities are sufficient to control and reduce risk.

## **SUSTAINABLE COMMUNITY STRATEGY IMPLICATIONS**

20. The principles of choice based lettings are that specific properties are advertised and applicants to the scheme are able to choose and 'bid' for a vacant property in the areas in which they wish to live; the CBL approach is acknowledged to generally yield higher rates of settlement in social housing, and it thus contributes to sustainable communities.
- The amendments within the proposed new CCAP will allow Compass partners to maximise the potential of social housing in meeting the negative impact of the Welfare reform and assist residents to acquire accommodation that is affordable and meets their needs. All of which makes for safer, healthier and more settled and sustainable communities

## **EQUALITIES IMPACT ASSESSMENT**

- 21 This report has been subject to an Equality Impact Assessment and has been judged to have a positive impact. An action plan for further improvements has been developed / no remedial actions are required.

## **CONSULTATION INCLUDING WARD/COUNCILLORS**

22. The CCAP is a Borough-wide policy and therefore all residents are affected.

An extensive and formal consultation exercise undertaken with all stakeholders including all Ward Councillors, Compass applicants, Compass partners' tenants, housing and support services staff, other relevant agencies.

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Education related?

No

Background Papers

- Compass Common Allocations Policy
- Localism Act 2011
- Welfare Reform Act 2012
- Housing Act 1996
- Allocations of Accommodation: guidance for local housing authorities in England
- CCAP review consultation feedback

Ward(s) and Ward Councillors:

**All**

Property N/A.