

 <b>OVERVIEW &amp; SCRUTINY COMMITTEE</b> 28 September 2009		<b>Agenda Item No.</b>
<b>Title:</b>	Update on the HomeChoice Allocations Scheme 2008	
<b>For further information about this report please contact</b>	Satnam Kaur	
<b>Service Area</b>	Housing Strategy	
<b>Wards of the District directly affected</b>	All	
<b>Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006</b>	No	
<b>Date and meeting when issue was last considered and relevant minute number</b>	N/A	
<b>Background Papers</b>	None	

<b>Contrary to the policy framework:</b>	No
<b>Contrary to the budgetary framework:</b>	No
<b>Key Decision?</b>	No
<b>Included within the Forward Plan? (If yes include reference number)</b>	No

### Officer/Councillor Approval

With regard to officer approval all reports *must* be approved by the report authors relevant director, Finance, Legal Services and the relevant Portfolio Holder(s).

Officer Approval	Date	Name
Relevant Director	16.9.09	Andrew Jones
Chief Executive	17.9.09	Chris Elliot
CMT	16.9.09	
Section 151 Officer	17.9.09	Jenny Clayton
Legal	16.09.09	Peter Oliver
Finance	17.09.09	Sandra Jones
Portfolio Holder(s)	16.09.09	Cllr Moira Ann Grainger

### Consultation Undertaken

Please insert details of any consultation undertaken with regard to this report.

<b>Final Decision?</b>	Yes/No
<b>Suggested next steps (if not final decision please set out below)</b>	

## **1. SUMMARY**

- 1.1.1 This report is intended to advise Members of the effect the HomeChoice Allocations Scheme 2008 has had since its implementation.
- 1.1.2 To provide an overview of the consultation draft statutory guidance on social housing allocations which was published in July 2009 by The Department for Communities and Local Government (DCLG)

## **2. RECOMMENDATION**

- 2.1 Members are asked to note the contents of the report and the positive impact the revised HomeChoice Allocations Scheme 2008 has had.
- 2.2 Members note that the revised consultation draft statutory guidance on social housing allocations, is unlikely to result in major changes to the HomeChoice Allocations Scheme 2008.

## **3. REASONS FOR THE RECOMMENDATION**

- 3.1 Members have requested an update on the HomeChoice Allocations Scheme 2008.
- 3.2 The draft statutory guidance on social housing allocations updates previous allocations guidance, but much of it is not new rather it reaffirms and clarifies existing policy.
- 3.3 As Warwick District Council's(WDC) HomeChoice Allocations Scheme already achieves much of what is contained in the guidance it is not anticipated that major changes to the scheme will be required.

## **4. ALTERNATIVE OPTION CONSIDERED**

- 4.1 This report is to provide information on the impact of the HomeChoice Allocations Scheme 2008 and a summary of the latest consultation draft statutory guidance on social housing allocations. Therefore no alternatives need to be considered.

## **5. BUDGETARY FRAMEWORK**

- 5.1 Currently the expenditure budget for HomeChoice is £42,200.
- 5.2 Part of this amount is funded by way of contributions from our RSL partners, reducing the net cost to the Council. These contributions assist with the costs of administering the scheme, including printing of the application form and accompanying literature, officer time in registering applications and matching properties, administration of the common housing register and the cost of advertising properties.

## **6. POLICY FRAMEWORK**

- 6.1 HomeChoice Allocation Scheme 2008 aims to comply with the requirements of Part VI of the Housing Act 1996, as amended by the Homelessness Act 2002, and the accompanying Allocation of Accommodation, Code of Guidance issued in 2002 and 2008.

- 6.2 The Corporate Strategy – CS2 Priority 3: To use current stock as effectively as possible
- 6.3 The Sustainable Community Strategy - Building Communities – providing sustainable, affordable, quality housing for everyone who wishes to live and work in the District.

## 7. **BACKGROUND**

7.1 The Council's Choice Based Lettings Scheme "HomeChoice" became operational in November 2005. The scheme was reviewed following consultation with Members, housing applicants and a range of partner agencies within the district. A revised scheme was approved by Executive In March 2008 and was implemented in September 2008.

7.2 The main changes to the scheme can be summarised as follows:

- The points scheme that was used to prioritise applicants was replaced by 4 Bands that reflect different levels of housing need.
- 16/17 year olds are now permitted to apply to go on the Housing Register but will not be re-housed before the age of 18 unless a statutory duty was owed to them
- Quotas for lettings to Bands 1, 2 and 3 were introduced, to enable a greater spread of available properties to each band. 50% of properties are advertised for Band 1, 30% for Band 2 and 20% for Band 3.
- Local connection criteria extended from residency, to include employment and family connection in the District.
- Applicants are still permitted to bid for properties one bedroom in excess of their need. However, when allocating properties, preference will be given to the applicant who has the greatest need for that size of property.
- Local Letting Policies will be considered for both urban and rural areas to make the best use of new and existing stock and to create sustainable communities.
- Properties are now determined as low demand if after one advert no bids are received. In these cases a managed allocation is made.

## 8. **OPERATION OF THE SCHEME**

8.1 The HomeChoice Allocations Scheme 2008 involves what is essentially a two stage process:

- The initial application when an applicant applies to join the scheme by registering on the Common Housing Register and his or her eligibility and priority are assessed.
- The bidding stage when an applicant bids for properties which are advertised.

8.2 The Common Housing Register is a list of all the people who want affordable housing in the district.

- 8.3 HomeChoice Allocations Scheme 2008 sets out the procedure that exists for determining priorities for letting Council and Registered Social Landlord (RSL) homes in the District.
- 8.4 When a household applies to join the Housing Register their need is assessed in accordance with the scheme and they will be placed in one of 4 Bands.
- 8.5 Table 1 shows that Band 1 is for those households assessed as having a high housing need, Band 2 is for medium need, Band 3 low need and Band 4 no housing need with the exception of owner occupiers. Within each Band is a set of criteria and depending on individual circumstances applicants are banded accordingly. (Please see Appendix 1)
- 8.6 Band 1 applicants are only permitted to bid for those properties with a Band 1 preference, Band 2 applicants can bid for Band 1 and Band 2 preference properties, Band 3 and Band 4 applicants can bid for all preference properties as long as they meet the eligibility criteria.

**Table 1**

Band	Level of Need	Bidding eligibility by Preference Band
1	High	1
2	Medium	1,2
3	Low	1,2,3
4	None + Owner Occupiers	1,2,3,4

- 8.7 Properties are advertised fortnightly and the advert remains open for 7 days. Applicants can express an interest in properties by placing a bid at anytime during this period.
- 8.8 Applicants may bid for up to 5 properties in each advert as long as they meet the eligibility criteria stipulated.
- 8.9 When preparing the advert, all available Council and RSL properties are grouped together by property type and size and then randomly selected by the IT system for the relevant preference band in line with the quotas. So for example, all available 1 bed flats will be allocated on a 50%, 30% and 20% split into the 3 preference bands; all two bed houses will be grouped together and similarly split into the 3 preference bands. The quotas are applied for all property size and types with the exception of age restricted stock.
- 8.10 For age restricted properties bidding takes place in the usual way and properties are allocated to the applicant with the greatest need.
- 8.11 When the advert period comes to a close applicants are matched to properties based on the greatest housing need and time on register, within the designated preference Band.

- 8.12 If there are no bids from people in the preferred Band, the property will be offered to the highest placed applicant from the next Band. If there is more than one household bidding for the same property with the same waiting time and housing need, the property will go to the household who bid first.
- 8.13 Details of the successful applicants Band and waiting date are published on the Council's website. This information is designed to help applicants decide in what areas they have the best chance of being re-housed and to consider other housing options available to them.

## 9. STATISTICAL INFORMATION

- 9.1 Table 2 shows that as at the 31<sup>st</sup> August 2009 the total number of applicants registered on the Common Housing Register was 3448. It also sets out a breakdown of the advertised properties within each preference band and the actual allocations per band in the period 1<sup>st</sup> September 2008 to 31<sup>st</sup> August 2009.

**Table 2**

<b>Band</b>	<b>Numbers on the Housing Register</b>	<b>Number of properties advertised in each band</b>	<b>Number of properties allocated by band</b>
1	18	291	85
2	326	146	159
3	1399	44	183
4	1692	0	5
<b>Total</b>	<b>3448 *</b>	<b>481</b>	<b>432</b>

\* Of which 13 are 16/17 year olds

- 9.2 In this period a total of 486 properties were advertised within the quota system. Of the 486, 292 had a Band 1 preference but of these only 78 were actually allocated to Band 1 applicants. This can occur for a number of reasons, for example, there were fewer applicants in Band 1 than the allotted number of properties with a Band 1 preference; the applicants in Band 1 did not meet the letting criteria for the advertised property, and applicants in Band 1 may choose not to bid for certain property types.
- 9.3 The discrepancy in the number of lettings compared to the number of properties advertised is due to some still being under offer as they may not be immediately available to move into and occasionally properties may be withdrawn from letting after being advertised. This may occur in circumstances where for example, the outgoing tenant has withdrawn their notice during the bidding round, resulting in the property no longer being available.
- 9.4 It should be noted that the quotas are allocated within each separate bidding cycle and not on a cumulative basis. The number of preference properties within each band will be entirely dependent on what is available at the beginning of each cycle. So if there are only a handful of each size and type of property available in each

bidding round, there may be weeks where there is no Band 2 or 3 preference properties.

- 9.5 However, this is compensated by permitting applicants within Bands 2, 3 and 4 to bid for properties in a higher preference Band than theirs. For example, the table shows that although only a total of 44 properties were advertised with a Band 3 preference, the total number of lettings to applicants in Band 3 was 183.
- 9.6 Appendix 2 provides a more detailed breakdown of the number of properties advertised and allocated by size and type.
- 9.7 Whilst it is difficult to make a direct comparison between the current and the old scheme, what the appendix does illustrate is that there is clearly a more equitable spread of properties allocated across the bands. Under the previous scheme approximately 74% of family houses were allocated to Band 1 applicants, compared to 33% under the current scheme.

## 10. RESPONSES TO HOMECHOICE QUERIES

- 10.1 Members and Officers often receive queries from applicants regarding their chances of re-housing. Advice is given according to individual circumstances. Even though some applicants may have been on the Housing Register for a number of years their chances of re-housing will be dependent on how particular they are about their areas of choice. Opportunities for re-housing are greater the more open applicants are with their areas of choice.
- 10.2 Officers advise applicants that in order to be considered for properties they need to be actively bidding. A maximum of 5 bids may be made in each advert, and although applicants are encouraged to utilise all 5 bids, they are only advised to do so if there are enough properties they are actually interested in. Applicants are not advised that they **must** utilise all 5 bids.
- 10.3 When Officers receive enquires from Members about an individual case, Members are advised of an applicant's bidding history so that their application is seen in the wider context of not only the length of time applicants have spent on the housing register but how frequently they are bidding for properties.
- 10.4 It should be borne in mind that no Allocations Scheme no matter how well designed will meet all of the demand for housing within a district. Whilst the changes that were implemented have clearly resulted in a greater spread of lettings across the Bands, this does not change the fact that housing is a scarce resource and only a minority of people wanting social housing will be able to access it because of the growing gap between demand and supply. One of the key elements of the current scheme focuses on alerting applicants to other options to resolve their housing need.
- 10.5 With this in mind, any Allocations Scheme is essentially a means for rationing out this scarce resource.
- 10.6 The HomeChoice Allocations Scheme 2008 is continually monitored and reviewed to ensure it is meeting the need of those in greatest need and is making the most efficient use of stock within the District.

## 11. “FAIR AND FLEXIBLE” – DRAFT STATUTORY GUIDANCE

11.1 In July 2009 the CLG published draft statutory guidance on allocations. The consultation ends on 23<sup>rd</sup> October 2009 and the final revised guidance will be published in November 2009.

11.2 The guidance was issued largely in response to the March 2009 House of Lords ruling in the London Borough of Newham v Ahmad case which held that Allocation Schemes do not need to provide for cumulative preference.

11.3 The guidance presents two sets of objectives: the first are those which authorities must achieve in framing their own allocations policies, the second are those which authorities should seek to achieve

11.4 The objectives and outcomes that local authorities must achieve are:

- Overall priority should go to those in greatest housing need, i.e., reasonable preference categories. The existing reasonable preference categories will remain.
- Provide settled homes for people who have experienced homelessness
- To promote greater equality

11.5 The objectives and outcomes that local authorities should seek to achieve are:

- The allocation of social housing be set within a wider enhanced housing options approach, so that people receive joined up advice and information about all the options open to them across sectors
- Greater mobility within social housing sector through regional or sub-regional CBL schemes and allowing for cross boundary moves
- Making best use of existing stock
- Ensure policies which are fair are considered to be fair
- Providing support for people in work or seeking work.

11.6 The guidance also:

- Removes any requirement to have regard to cumulative preference, though local authorities are still encouraged to consider whether they wish to give additional priority to those with more than one type of need
- Encourages local authorities to make the most of flexibilities available within the legislation to reflect local priorities
- Strongly recommends local communities and organisations are involved in developing allocation policies.
- Emphasises the key role for elected Members in understanding and explaining to the public the shortage of social rented housing, the allocations policy and other housing options

- 11.7 This report highlights that the HomeChoice Allocations Scheme 2008 not only meets the objectives that the guidance states Local Authorities must achieve but also meet a number of the objectives which it is advised Local Authorities should seek to achieve.
- 11.8 The areas it is considered will need to be developed are ensuring policies which are fair are considered to be fair and engaging local communities.
- 11.9 There are widespread perceptions nationally that Allocations Systems are unfair and favour certain groups such as the unemployed or migrants. Given this it is important that WDC fully engages with the local community in developing any future Allocations Scheme and continues to provide regular accurate and generalised information on how housing is being allocated in the District. This will help dispel any myths and misperceptions which may arise.



## **Appendix 1**

The Council will ensure that preference is given to the following applicant categories as set out in S167 (2) of the Housing Act 1996. The five groups of individuals who are entitled to reasonable preference are:-

1. People who are 'homeless', within the meaning of Part VII of the Housing Act 1996;
2. People who are owed a particular statutory duty by any local housing authority under certain provisions of homelessness legislation;
3. People occupying insanitary or overcrowded housing or otherwise living in unsatisfactory housing conditions;
4. People who need to move on medical or welfare grounds, including grounds relating to a disability; and
5. People who need to move to a particular locality in the District of the local housing authority, where failure to meet that need would cause hardship, to themselves or to others.

Each of the five categories of applicants entitled to reasonable preference requires detailed and careful consideration and applicants will be placed in bands as follows:-

<b>Band 1</b>  Applicants within the following categories would be included in Band 1:
1. Homeless applicants where the Council has accepted a duty under Part VII of the Housing Act 1996 as amended.
2. Medical Priority is granted in exceptional circumstances, when the applicant or a member of the applicant's household has an immediately life threatening or progressive condition which is seriously affected by their current housing.
3. People moving on from Supported Housing Projects under agreed referral arrangements between Supported Accommodation Providers and Warwick District Council.
4. Special Agency Referral such as Warwickshire County Council Adult Health and Community Services, Children, Young People and Families Services and Probation. Referrals will be made under agreement with the departments concerned.
5. Extraordinary cases.
<b>Band 2</b>  Applicants within the following categories would be included in Band 2:
1. Medical and Welfare Priority may be awarded when an applicant or a member of the households current housing conditions are having a major adverse effect on their medical condition and welfare but whose need to move is less urgent.
2. Households in priority need and threatened with Homelessness through no fault of their own (This priority will only be awarded where the applicant is co-operating with the Council to try to prevent homelessness).
3. Non-priority, unintentionally homeless applicants.
4. Existing Households who are Council and Housing Association Tenants within the District and who are overcrowded (for bedroom deficiency guidelines – see Appendix 1).
5. Households subject to a Demolition or Closing Order.
6. Existing Council and RSL tenants within the District who are under-occupying their current accommodation by more than 1 bedroom and would move to smaller accommodation that would be more suitable to meet their change in need, thereby vacating a larger social housing property for re-letting.

7. Armed Forces applicants with 3 years or more service and having lived in the District for 2 years prior to joining, within 12 weeks of their discharge date.

8. Succession Cases.

**Band 3**

Applicants within the following categories would be included in Band 3:

1. Households in priority need who have been determined to have become homeless intentionally.

2. People who are neither an owner or tenant.

3. Families with young children under 16 years living on the second floor or above (ground and first floor are acceptable).

4. Applicants lacking or sharing more than one facility for example bath, toilet, kitchen, with another household.

5. Applicants in housing need without a local connection.

**Band 4**

Applicants within the following categories would be included in Band 4

1. All applicants without a housing need with or without a local connection including transfers.

2. Home Owners.

**Appendix 2**

Property Type	Advert Preference Band				Total Advertised	Allocations by Band				Total Allocated
	1	2	3	4		1	2	3	4	
Bedsit	14	1	0	-	15	8	1	4	0	13
1 Bed Flat	63	35	13	-	111	7	26	68	1	102
1 bed Maisonette	1	-	-	-	1	0	0	0	0	0
2 Bed Flats	86	51	21	-	158	32	36	72	3	143
2 bed Houses	38	20	4	-	62	12	29	12	0	53
2 bed Maisonettes	14	4	-	-	18	6	3	8	0	17
3 Bed Flats	4	-	-	-	4	1	1	0	1	3
3 bed Houses	37	20	4	-	61	14	36	3	0	53
3 bed Maisonettes	17	8	1	-	26	1	8	15	0	24
3 bed Bungalows	3	-	-	-	3	0	3	0	0	3
4 bed Houses	13	7	1	-	21	4	15	1	0	20
5 bed Houses	1	-	-	-	1	0	1	0	0	1
<b>Totals</b>	291	146	44	0	<b>481</b>	85	159	183	5	<b>432</b>