
Meeting of the Place Scrutiny Committee – 9th March 2017

Report of the Strategic Director Place

Housing Allocations

Purpose of the Report

1. To open the process of reviewing the Council's Housing Allocations scheme.
2. To invite Members to identify any particular aspects of current policy and procedure that will need to be included within the review, following which officers will produce a detailed plan and timetable.

Background

3. The purpose of the Council's Allocations Scheme (Lettings Policy) is to set out the rules by which its vacant homes are allocated. This includes
 - a) who can qualify for the waiting list;
 - b) the assessment of applications and how they are prioritised;
 - c) the arrangements for matching vacant homes to prospective tenants; and
 - d) the process of starting a new tenancy.
4. It is governed by statute (particularly Housing Act 1996, Homelessness Act 2002 and Localism Act 2011) and subsequent Codes of Guidance and Statutory Instruments. Policy review may be driven by legislative change or by local (community) imperatives, and policy must reconcile these where they are potentially at odds. The Lettings Policy is made publicly available at <http://www.dudley.gov.uk/resident/housing/council-housing/council-homes/applying-for-a-council-home/lettings-policy/> .
5. In 2010, Dudley's Allocations Scheme was overhauled and simplified. A very complex points system for assessing a customer's priority for rehousing was replaced with a bandings scheme (Appendix A). The major advantage of this scheme is that within each need band, customers are held in date order, so they cannot be "overtaken" by new customers joining the list, and can see their position on the list improving as customers ahead of them are housed.

6. The last major review of the Allocations Scheme commenced in 2012, and was considered by DACHS Scrutiny Committee in March 2013. The changes that were recommended and subsequently implemented were:
 - a) To give additional priority for housing allocations to service personnel with a connection to Dudley, by backdating their application and band start date to their date of enlistment.
 - b) To give additional priority for a larger home where needed for approved foster carers/adoptive families, by including them in band 2.
 - c) To allow for additional priority for housing allocations to other groups who make a contribution to the community, but only where this forms part of a formally approved local lettings plan.
 - d) To allow for additional priority for housing allocations where an existing home has become unaffordable, by recognising this as a need within the bandings scheme.
 - e) To consider affordability issues in decisions on transfers and exchanges with arrears.
 - f) To amend from 18 to 16 the age at which a young person is considered to need their own bedroom within the family home.
 - g) To prevent transfers within two years of a tenancy start date unless there are exceptional, unforeseen circumstances, or the move is of benefit to the Council.
7. Further changes have been prompted by legislation or other factors and implemented as follows:
 - a) From May 2014, a residency qualification of two years living or working in borough was introduced for anyone wishing to join the housing waiting list.
 - b) From April 2015, a revised Nomination Agreement was implemented with housing associations in the borough, and the residency qualification was amended to comply with a Statutory Instrument in favour of social tenants needing to move in connection with employment (the "Right to Move").
8. Whilst the Lettings Policy sets out who is able to join the waiting list, and who gets priority for vacancies, there is also the issue of how prospective tenants are matched to vacant homes. In Dudley, a Choice Based Lettings (CBL) system has been in place since 2007, whereby vacancies are advertised on a

website www.dudleyathome.org.uk. Customers on the waiting list choose which homes to express an interest in or “place a bid”, and each property is allocated to the person who has applied for it and has the highest priority for that property. The purpose of this process is to avoid customers being offered homes they would not like, and to avoid delays in the lettings process. It is also a very transparent process, where customers can see their position and decide whether or not to place a bid.

9. Generally speaking, the policies and procedures set out above have served us well in managing the supply of and demand for social housing in the borough. We have a healthy turnover of around 7-8% of stock per annum; existing tenants who need to move are able to do so relatively easily; our waiting list is at a manageable level of under 2000; homelessness is at the lowest level recorded; we have a high level of enquiries but relatively few complaints and no legal challenges for many years; and the whole process has been given the highest level of assurance by Internal Audit.

Areas for consideration

10. There are a number of issues Members may wish to see considered. Some of these arise from stock sustainability and demand issues; others from Welfare Reform and the challenge of affordability; and others are raised by customers and their representatives including Elected Members themselves.
11. Members will be aware that housing demand has been one of the factors taken into account in rating the future sustainability of our housing stock. The main issues are:
 - a) The general unpopularity of high rise stock, which is no longer the housing of choice for any significant numbers of our customers. The majority of high rise stock has two bedrooms. We do not let it to families with children, unemployed customers are no longer able to claim full Housing Benefit for two bedrooms, and although some blocks are still successful, their tenant profile is older and it can be difficult to keep finding new tenants. High rise flats regularly feature in the “Available Now” properties that can be let to people from outside the borough.
 - b) Mismatches in supply and demand, and in particular the high proportion of flats that are ring-fenced to single people and couples over 40, or from which single people under 30 are excluded. There is more demand from families and younger people. The designation of the majority of our flats for the minority of our customers is presenting an additional and arguably unnecessary barrier to rapid void turnaround. Currently, the average turnaround time for empty homes is 95 days as shown below, but 89% of the No Wait homes are delayed by restrictions on who they can be let to.

2016/17 Q1-3	Total turnaround time	From keys received to repairs issued	From repairs issued to repairs completed	From repairs completed to sign up
Routine voids	71.51	-2.60	24.73	49.38
Routine voids excluding No Waits	38.78	-4.19	22.91	20.06
All voids	94.53	3.12	45.14	46.27
All voids excluding No Waits	63.58	0.98	45.28	17.32

12. The challenges presented by Welfare Reform include:

- a) The removal of the Under Occupation Subsidy – to date we have operated an approach of “Informed Choice” but many social landlords will only let to families on benefits if they need the number of bedrooms available.
- b) Universal Credit – like other landlords, we are seeing 80% of tenants with arrears after transferring to Universal Credit, and even as a social business we need to consider how we can best assure ourselves that tenants will pay their rent.
- c) The extension of the LHA cap to social tenants – from April 2019 tenancies that are starting now will be restricted in the amount of Housing Benefit that will be claimed, with a particular impact on under 35 year olds, most of whom will be limited to £60 per week and therefore to just 1.5% of our stock.
- d) The reform of funding for supported housing – the details are not yet finalised but there is a significant risk that responsible providers will be unable to continue in business and/or difficult decisions will need to be made about which schemes are supported and which are not.

13. From casework, the areas that customers may wish us to consider are:

- a) Local lettings policies – our new build schemes have targets for the proportion of prospective tenants who will have a local connection to the immediate area, and who will be economically active. These are popular with communities and it has been suggested that they could be extended to all lettings.
- b) Occupancy standards – the size and type of property that each size of household can be considered for, and particularly how we prioritise applications for the most scarce properties – two bedroom bungalows and houses, and houses with four or more bedrooms.
- c) The relative priority on our waiting list of people in private sector tenancies – we currently regard a household with sufficient bedrooms as being adequately housed unless there is a real threat of homelessness or

a major issue of disrepair, but families in particular do not regard themselves as adequately housed when their tenancy can be ended at two months' notice for no reason.

- d) Previous home ownership – it is very common for owner occupiers to approach us for housing as a result of relationship breakdown and/or financial difficulties. We do not exclude owner occupiers from consideration, but we do take into account any equity or beneficial interest, and customers often perceive these rules as being too strict.
14. All of these factors will contribute to our future success in managing our business and providing a service that local communities will value and see as fair and reasonable. Members are invited to
- a) Suggest any additional issues they would wish to see considered.
 - b) Consider whether a member working group is required, or whether officers should bring detailed proposals and rationale directly to a future meeting.

Finance

15. There are no new financial impacts arising from the contents of this report.

Law

16. Allocation of stock is governed by statute, including but not limited to the Housing Act 1996, the Homelessness Act 2002, and the Localism Act 2011, and subsequent Codes of Guidance and Statutory Instruments flowing from each.

Equality Impact

17. There are no new equalities issues arising from the contents of this report. An Equality Impact Assessment will be conducted on any proposals that are developed.

Recommendation

18. Members note and comment on the contents of this report, and in particular paragraph 14.



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