

Subject:	Adoption of a revised Common Allocations Policy	Status:	For Publication
Report to:	Overview & Scrutiny Committee	Date:	20 th January 2020
Report of:	Director of Economic Development	Portfolio Holder:	Communities and Customers
Key Decision:	<input checked="" type="checkbox"/> Forward Plan <input checked="" type="checkbox"/>	General Exception <input type="checkbox"/>	Special Urgency <input type="checkbox"/>
Equality Impact Assessment:	Required:	Yes/No	Attached: Yes/No
Biodiversity Impact Assessment	Required:	Yes/No	Attached: Yes/No
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1.	RECOMMENDATIONS
1.1	That Overview and Scrutiny Committee considers the amended B-with-us Common Allocations Policy, along with the appendices and expresses any member views on the amended allocation and qualification criteria, and recommends its approval to Cabinet if they consider it appropriate.
1.2	All future minor amendments to the B-with-us Common Allocations Policy are to be delegated to the relevant Director in consultation with the Portfolio Holder.
1.3.	That the Council reviews the existing Civica software contract to ensure it is fit for purpose and provides value for money.

2. PURPOSE OF REPORT

2.1 Due to legislative changes, case law and statutory guidance it has become necessary to revise the allocations policy for it to remain effective and legally robust, in particular the Homelessness Reduction Act 2017 which was implemented in April 2018. The allocation of social housing is regulated by the Part VI of the Housing Act 1996 (the Act), as amended by the Homelessness Act 2002 and the Localism Act 2011. Section 166a of Part VI of the Act requires that every local housing authority in England must have a scheme for determining the priority of households seeking social housing, as well as a procedure to be followed in the allocation of such housing, and for this scheme a policy is also required. To fulfil the requirement for a scheme the Council is a member of the B-with-us.

3. CORPORATE PRIORITIES

3.1 The matters discussed in this report impact directly on the following corporate priority:

- **A proud, healthy and vibrant Rossendale:** our priority is to ensure that we are creating and maintaining a healthy and vibrant place for people to live and visit.

4. RISK ASSESSMENT IMPLICATIONS

4.1 As the policy is changing, in particular the priority bandings, some households with a current application will have their relative priority changed. Whilst the banding changes present a potential reputational risk, the changes are necessary to have an effective and efficient policy to meet housing need in the borough.

5. BACKGROUND AND OPTIONS

5.1 The allocation of social housing is regulated by the Part VI of the Housing Act 1996 (the Act), as amended by the Homelessness Act 2002 and the Localism Act 2011. Section 166a of part VI of the Act requires that every local housing authority in England must have a scheme for

determining the priority of households seeking social housing, as well as a procedure to be followed in the allocation of such housing, and for this scheme a policy is also required. To fulfil the requirement for a scheme the Council is a member of the B-with-us Choice Based Letting scheme, which covers Pennine Lancashire i.e. Blackburn with Darwen, Burnley, Hyndburn, Pendle and Rossendale. There are 12 Private Registered Providers (PRP) of social housing, or Housing Associations. The main PRP in Rossendale is Together Housing Association with around 84% of the social housing stock. There are currently 1,399 Rossendale applicants registered to bid on B-with-us, and 9,400 in total.

5.2 There have been considerable legislative changes since the previous policy update in 2016, including the commencement of the Homelessness Reduction Act 2017 and the interpretation of Case Law and Statutory Guidance. The B-with-us Steering Group has completed a review of its policy to ensure the scheme continues to meet the needs of both customers and all partners and is legally robust. The draft Allocations Policy (Appendix 1) has been developed and is being circulated to all partners for their respective Members and Boards to agree to.

5.3 Subject to agreement, it would be intended that the B-with-us Steering Group will ratify the allocations policy following the consultation period from 13th December 2019 to 24th January 2020. The new policy will take will be adopted via each Local Authorities political process, and each PRP's board, and is expected to come into effect from April 2020 at the earliest.

5.4 **Eligibility**

Eligibility for an allocation of social housing is dictated by national legislation. For an applicant to be eligible for an allocation of social housing they normally need to be eligible for public funds, which people from abroad or returning to the UK are often not. To deal with eligibility for non-UK residents from the European Economic Area (EEA) the Allocation of Housing and Homelessness (Eligibility) (England) (Amendment) (EU Exit) Regulations 2019 (SI 2019/861) came into force 7 May 2019. Under the regulations non-UK EEA residents in the will require indefinite or limited leave to remain under the EU Settlement Scheme to be eligible for an allocation of social housing, and this change is reflected in the new policy.

5.5 **Qualification**

The Localism Act 2011 gave local housing authorities the power to determine which cohorts of people qualify for an allocation of social housing under their scheme, providing the Public Authority Equality Duty 2010 is complied with. Under the new policy it is proposed that additional criteria are added so that some applicants may not qualify if they do not have a local connection to the area, they are home owners, or if they have deliberately worsened their own circumstances.

5.6 **Local Connection** – Anyone who applies must have a local connection with Pennine Lancashire, which is defined as:

- Resident for at least six of the last twelve months, or three of the last five years
- Have a close family member resident for at least five years
- Be employed in Pennine Lancashire for the last six months

There are exemptions to local connection qualification, which include but are not restricted to, people fleeing domestic abuse and homeless applicants. It is not clear how many households will be affected by this change, as family member local connections are common but the information already held will not show this in most cases. Members may wish to express an opinion on whether the local connection criteria are appropriate for Rossendale.

- 5.7 **Housing-related debt** – greater clarity in terms of how housing debts owed will be considered under the scheme. Applicants with over £500 housing related debt will now be disqualified, and applicants with debt below £500 will qualify but not be made an offer until the debt is cleared. Statute barred debts (not been chased for over 6 years) will not be taken into account.
- 5.8 **Homeowners** - this amended policy is intended to help ensure best use of stock by only allocating to those persons who are unable to secure alternative accommodation, thus applicants who have equity in a property of £120,000 will be disqualified from joining the housing register. There are currently 148 Rossendale applicants registered with B-with-us, however the level of equity they have is not known currently. It is anticipated that Members may have a view on whether they consider the level of equity, before and applicant could be disqualified, is appropriate and may wish to express a view.
- 5.9 **Deliberate worsening of circumstances** – In allocations law, it has been a long held principal that applicants should not benefit by being given a higher priority banding if they deliberately worsened their own circumstances. Now the stated principle is explicit in the proposed allocations policy.
- 5.10 **Banding**
Applicants are prioritised for an allocation of housing based on their banding, then by their effective date (the date they were awarded their highest band), and then then by their registration date – and this all applies to an applicant who is bidding on a property that matched their bedroom number requirement. For example, an applicant with a one bedroom need who bids on a two bedroomed property would be shortlisted below everyone with a two bedroom need. Applicants who have been a member of the UK armed forces also receive extra prioritisation to the top of their band before the other tie breaks apply. Under the amended policy it is proposed that the number of bands increase from 4 to 5 in order to help prioritise households in most need, and also those with a local connection. The change in banding will ensure that the number of households in the top 2 bands will decrease in order to meet housing need better. In the last 5 years the number of properties let on B-with-us in Rossendale had fallen from over 500 to around 300, largely due to a reduced turnover, and the banding changes will be conducive to meeting the Council’s prevention and relief duties under the Homelessness Reduction Act 2017 and ensure that households in the most acute need are assisted more.
- 5.11 **Homelessness** - Following the implementation of the Homelessness Reduction Act 2017 on 3rd April 2018, bandings were temporarily altered to reflect the new duties which local authority partners were required to meet. The allocations policy has now been revised to reflect these changes.
- 5.12 **Effective date** – A number of applicants will see a change to their banding. Any applicant who moves up a band will be given the effective date that their band changed, and applicants who remain in the same band will keep the same effective date. Applicants who under the scheme move down one band or more will be awarded the effective date of when they were in that band previously, or if they haven’t been in the band before it will revert to their registration date.
- 5.13 **Cumulative need will end** -Under the present policy if an applicant met two criteria within band 3 then they would go into band 2. Having reviewed how this factor affects the banding, which ultimately has a large bearing on allocations, its felt by partners that this unduly affects priorities at the expense of those threatened with or actually homeless, and therefore partners believe it fairer that this should end.

5.14 **Band 5** – This band is effectively the existing band 4 rebadged and will ensure that anyone not meeting any specified criteria within the bandings can still join the housing register and bid for properties whether via B-with-us bidding cycle or properties advertised outside of the scheme e.g. by a ‘first come, first served’ basis. Households in the new band 5 will still have the same chance of being housed as if they were in band 4 under the current policy.

5.15 **How many applicants affected** – From the information at hand 937 applicants, or 67%, will appear to have their band reduced, and 462 or 33% will appear to remain in the same band. The majority of households are not expected to have their chances of being housed decreased, with the main beneficiaries being those households who remain in the new band 2 who have in effect had their band increased. For example, as well as band 5 applications being no worse off than being in band 4, 462 households retaining their banding in the top 3 bands have an increased chance of being housed, and in total 892 households, or 64% are expected to have the same or better chance of being rehoused. Many households could have reasons to retain increase their banding that is not currently explicit, so in practice there will be less worse off than we currently estimate. Below shows how the bandings chance given current information available:

Band	Current Policy		Anticipated new band	
	Number	%	Number	%
1	22	1.6%	17	1.2%
2	280	20.0%	91	6.5%
3	667	47.7%	520	37.2%
4	430	30.7%	341	24.4%
5	0	0.0%	430	30.7%
Total	1399	100.0%	1399	100.0%

5.16 In the above table the reason households dropped from band 1 was due to reducing priority for under-occupied households by 2 bedrooms or more, however if such a household was threatened by homelessness due to be under-occupied they would return to higher banding. Of the 189 applicants who are reduced in banding from band 2, 70% are due to the removal of cumulative need. There are 313 applicants who move from band 3 to band 4 due to changes to community contribution; however this cannot be seen in the table above due to applicants moving into band 3 from higher bands. All current band 4 applicants are shown as moving to band 5 however, but like all bands there may be reasons for them to remain where they are or move to a higher band. The policy aimed to have fewer households in the higher bands, as this is more conducive to meeting the most acute need, which is normally homelessness related.

5.17 **Cost of changes to policy** - As a result of the proposed changes to the current allocations policy, the B-with-us software will need to be reconfigured significantly, which will mean additional cost of £20,000 to 30,000. However, it is anticipated that these costs will be met through reserves held by the B-with-us partnership, and therefore no additional funding from the Council will be required. In the medium term the Council is keen to explore options for savings in relation to the existing Civica software contract.

COMMENTS FROM STATUTORY OFFICERS:

6. SECTION 151 OFFICER

6.1 All financial implications are within existing budgets.

7. MONITORING OFFICER

7.1 All legal implications are covered in the body of the report.

8. POLICY IMPLICATIONS AND CONSULTATION CARRIED OUT

8.1 The policy ensures the Council meets its responsibilities under Part VI of the Housing Act 1996 as amended, as well as complying with case law and statutory guidance. Consultation for stakeholders, customers and the wider public is being conducted from 13th December 2019 to 24th January 2020, and the results of which will help inform the final draft.

9. CONCLUSION

9.1 The amended policy identifies how the Council will fulfil its duty to have a scheme which prioritises the allocation of social housing, and ensures the Council has a legally robust approach complying with all legislation, case law, statutory guidance and good practice.

Background Papers

Document	Place of Inspection
Consultation draft B-with-us Allocation Policy	Appendix 1
B-with-us main changes summary	Appendix 2
Initial Equality Impact Assessment	Appendix 3