

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

1.	Meeting	Improving Places Select Committee
2.	Date	24 th July 2013
3.	Title	Revision of RMBC's Council Housing Allocations Policy
4.	Directorate	Neighbourhoods and Adult Services

Current anticipated timetable:

- Consultation - Improving Places Select Commission 24/07/13
- Further consultation, including applicants, partners and RSL's
- Cabinet Member for Safe and Attractive Neighbourhoods for decision 2/9/2013
- Full Council for decision September/October 2013
- Communication with Housing Register applicants October/November 2013
- Implementation December 2013

5. Summary

RMBC's Allocations Policy was last substantially amended in January 2010, and it now needs to be revised again to take into account the new flexibilities and opportunities offered to social housing landlords by the Localism Act 2011, and to make the system as fair as possible. We also need to review the Allocation Policy because of the size of the Housing Register, the likelihood it will increase if we do nothing and to take account of the circumstances of local people and firmly base the Policy on addressing housing need.

In-principle approval is sought, to enable us to submit the report to Cabinet Member and Improving Places Select Commission. Once Elected Members' feedback has been incorporated, the final version will be submitted to Cabinet and full Council for formal adoption in November 2013. During October we will write to all applicants to explain the changes.

6. Recommendations

Authorise officers to report to Cabinet Member and consult Elected Members on the proposals set out below.

- 1. Change the Housing Register so that applicants are separated into the "Register of Housing Need" and the "General Waiting List"**
- 2. Create three new groups to the Register of Housing Need: Emergency, Urgent, and Unsuitably Housed**
- 3. Increase the percentage of properties advertised to the Urgent group to 60% (currently 50%)**
- 4. Make changes to the way we manage and advertise properties to the General Waiting List, options being as follows:**

4(a) Only accept applicants onto the “Register of Housing Need” and remove the General group, (This is a possible approach) OR

4(b) Retain a General group but stop new General applicants from joining, and advertise 10% of properties to this group, (This is a possible approach) OR

4(c) Retain a General group but stop new General applicants from joining, and stop advertising properties to the General group (although they can continue to bid for any properties, they will only be successful if there is no applicant from the Register of Housing Need (This is a possible approach) OR

4(d) Retain the General Group and allow new applicants to join, and advertise 10% of properties to this group, (This is the preferred approach) OR

4(e) Retain the General Group and allow new applicants to join, and stop advertising properties to the General group (although they can continue to bid for any properties, they will only be successful if there is no applicant from the Register of Housing Need (This is a possible approach)

AND

4(f) Following the initial mail-out, stop all annual reviews of the General group as the resources spent on this costly administration would be better deployed on advice services to people on the full range of housing options in Rotherham

5. Within the new Housing Need groups:

- a) Add armed forces to the Emergency group
- b) Add new downsizing rules into the Emergency group
- c) Add needing to move for reasons relating to employment in the Rotherham area into the Urgent group
- d) Add to the Unsuitably Housed group people who are currently bidding, living with family / friends / dependants, and who are ready to live independently but cannot afford other housing options such as private rented or owner occupation

6. Make changes to policy and procedures in order to more effectively manage the Housing Register and encourage behaviour change:

- a) Once a person has refused two offers their application should be cancelled
- b) Once a person has decided and agreed to have major adaptations work that meet their long-term needs their rehousing application should be cancelled.
- c) Once an application has been cancelled for any reason, such as rehousing and evictions, the applicant should not be allowed to rejoin the Register for 12 months
- d) Once a homeless applicant refuses a suitable offer of accommodation (Council, RSL or private rented) they will be moved down from the Urgent group to the Unsuitably Housed group. On acceptance of a private rented offer their application should be cancelled.
- e) Make it mandatory for all new tenants to sign a direct debit or standing order form to pay their rent, and have the “Right Not To Offer” a property to customers who cannot afford to take on a tenancy

7. Proposals and details

7.1 Reasons for revising the Allocations Policy

The Localism Act 2011 seeks to devolve responsibility back to councils, allowing more decisions about housing to be taken locally. In the case of allocating housing, this means local authority landlords are able to apply locally determined criteria to their housing registers and no longer have to operate open registers, with the expectation from central government that social housing should be offered to those people in housing need.

The Council's Housing Register currently contains 25,314 applicants, and the vast majority of these are adequately housed, placed in the General group and do not currently need a Council house, although they may aspire to live in a Council home in the future. The main problems this causes are as follows:

- It is an expensive and inefficient use of Council resources to provide administration for such a large list
- People with no housing need are allocated social housing, such as owner occupiers or existing tenants who are adequately housed, which means those with a real housing need have to wait longer, causing frustration and anger with the Council
- People who have registered an application for future use and then become in housing need are unwilling to be assessed for a priority group for fear of giving up their General date
- We have an inaccurate picture of need and demand in Rotherham as nearly 20,000 of the people on the register do not bid for properties, and therefore do not currently need a Council home, although they may aspire to live in a Council home in the future
- The number of applicants is likely to increase throughout the recession and beyond, as will the cost of carrying out annual reviews and administration

However, we may not want to simply exclude the people in the General group, instead want to make changes to the way we manage the Housing Register. This report proposes that we change the Allocations Policy and process in order to address these problems, to take into account the new flexibilities offered in the Localism Act 2011, and to make the system as fair as possible.

The Allocations Policy was last substantially updated in January 2010, with further minor amendments in February 2011, and RMBC's response to a Government Consultation on Allocation of Accommodation was reported to the Overview and Scrutiny Management Board in March 2012.

Each of the proposed changes is set out in 7.2 below.

7.2 Proposed changes

Proposed change 1: Change the Housing Register so that applicants are separated into the "Register of Housing Need" and the "General Waiting List"

The current Register contains over 25,000 applicants, the vast majority of whom do not need a Council house at present. By creating separate groups we can have a clear picture of who is in housing need, and which applicants would like a home in the future. When quoting housing need figures, we will quote the number of people on the Register of Housing Need, which we anticipate would be under 10,000 under the new proposed system.

Proposed change 2: Create three new groups to the Register of Housing Need: Emergency, Urgent, and Unsuitably Housed

We currently maintain an open Housing Register and anybody can apply for a Council house. Once an application is received the person is awarded one of four 'need categories':

Current Need Category	Definition
Priority Plus (P+)	Households who require immediate housing and are considered for all vacant Council properties
Priority (P)	People who experience urgent housing need and require moving due to specific circumstances
General Plus (G+)	Applicants who are entitled to reasonable preference on a non-urgent basis
General (G)	Applicants who have no reasonable preference entitlement/priority need

The names of the categories are not as clear and descriptive as they could be. Use of the term 'priority' suggests the Council sees some groups of people as having more importance than others. It would be more logical to define the categories to reflect how quickly a household needs to be housed. Applicants in current housing need can be divided into:

- Emergency (i.e. immediate risk to health and safety if not rehoused),
- Urgent (i.e. needs to move as soon as possible)
- Unsuitably housed (i.e. needs to move – but not classed as urgent or emergency)

Those who are not in current housing need are in the General group, and would fall into the 'General Waiting List'. The proposed changes to the groups are summarised as follows:

Existing	New
Priority Plus	Register of Housing Need – Emergency
Priority	Register of Housing Need - Urgent
General Plus	Register of Housing Need - Unsuitably Housed
General	Applicants who have no reasonable preference entitlement/priority need

Proposed change 3: Increase the percentage of properties advertised to the Urgent group to 60% (currently 50%)

The Council operates a choice-based lettings (CBL) system. All vacant properties are advertised in the Key Choices Letting Scheme; 50% of properties are advertised as giving preference to bidders from the 'Priority' Group and 50% to the combined General groups (30% General Plus and 20% General). This is computer generated to ensure a fair distribution of properties between the categories. Any applicant can bid for any property – and the property will be offered to the person in the appropriate group with the longest waiting time. Households in the Priority Plus Group require immediate housing, and will be considered first for all properties, ahead of any other group.

The proposed change would increase the number of properties that are allocated to people in emergency and urgent housing need, see table below.

Current category	% homes currently advertised as giving preference to this group	New category	% homes proposed to be advertised as giving preference to this group
Priority Plus	100%	Emergency	100%
Priority	50%	Urgent	60%
General Plus	30%	Unsuitably Housed	30% or 40%*
General	20%	General Waiting List	10% or 0%*

*depending on which sub-option under proposal 4 is selected.

The bidding process will remain unchanged, where all applicants can bid for any advertised group, and where there are multiple bidders within a group, preference will be given according to length of waiting time.

The properties will continue to be offered on a quota basis, which will assist in creating sustainable and balanced communities. It will also ensure that those people living in unsuitable housing, which include children living in flats, non statutory homeless households etc are able to access Council housing. If the properties were not advertised on a quota basis and were only allocated to Urgent group people first ahead of others, those in the Unsuitably Housed group would have very little opportunity to access Council housing as they would always be placed last in the shortlists.

The properties will initially be offered to the Emergency group and then to the advertised group, where there are no suitable bidders in this group, the next group in the sequence will be selected and so on. Properties will be advertised and the shortlist will be sorted as follows:

Urgent (60%): Emergency, then Urgent, then Unsuitably Housed, then General

Unsuitably Housed (30% or 40%): Emergency, then Unsuitably Housed, then Urgent, then General

If Elected Members decide that 10% of properties should be advertised to the General Waiting List:

General (10%): Emergency, then General, then Urgent, then Unsuitably Housed

Proposed change 4: Make changes to the way we manage and advertise properties to the General Waiting List

Of the 25,314 applicants on the Housing Register (in February 2013), approximately 19,000 are in the 'General' group. The vast majority of people in the General Group never bid, as there is a historical culture in Rotherham that people should put their name down in case they need a house in the future as their waiting time will qualify. Anecdotally, the types of circumstances of some people who are in the General category:

- People who are adequately housed, but expect to want a Council bungalow when they are older
- People who already own a home now but may wish to sell or rent this out and move into a Council house in the future. At the moment home owners of all age groups can bid on any property.
- People who feel that a Council house would be a good safety net in case their situation changes in the future e.g. if they lose their job
- People who are existing Council tenants who are adequately housed in the right size property with no medical need to move, but who aspire to move

Of the people in the General group who *do* bid, many are in some form of housing need, for example people living with family or friends who need to move on, or dependents who are ready to take on a tenancy. These people are often reluctant to move to a priority group due to the concept that their waiting time will enable them to get a Council home quicker.

Any changes to the Allocation Policy must be transparent and be communicated effectively and clearly. We propose to write to all General group applicants to explain:

- The reasons why we are taking these actions – we still want to help people in the General group but have to implement a system that is fair and that helps people in current housing need
- That unless we hear from them within a certain time frame they will remain in the General group, and there will be changes to the proportion of properties advertised as giving preference to the General group (depending on Elected Members' preferred sub-option
- That their waiting list date will remain the same, in the General group

- That if they do currently need to move to a Council home, they should contact Key Choices to update their circumstances. Their application will be changed to the relevant group and dated to reflect the date their circumstances changed and they will have a much better chance of getting a Council home as 90% or 100% of properties are made available to categories within the Register of Housing Need.

There are various options to change to the way we manage the General group:

4(a) Only accept applicants onto the “Register of Housing Need” and remove the General group.

This is a possible approach.

Because of the way the policy currently works there are various examples of properties that have been let to applicants in the General group with no housing need in preference to those who have been in greater need for longer.

The pressure on Council and other affordable housing in Rotherham has never been greater, and the Council is responsible for helping those who are in the greatest need. There is a view that it is no longer possible or appropriate to allow people to move in to a Council house purely based on how long they have been waiting, if they have no actual need for Council housing. One of the possible approaches is to remove this group altogether from the housing register to ensure the register reflects *current* housing need, and not overall general demand / aspirations. We will move people who are in housing need from the General group into an appropriate ‘current need’ housing group.

However there is a risk that if the General band was removed the relet times for one bedroom bungalows could increase, as often older people with an assessed need prefer two bedrooms, resulting in the smaller bungalows being allocated to older people with no assessed need.

4(b) Retain a General group but stop new General applicants from joining, and advertise 10% of properties to this group

This is a possible approach

Historically many households have registered to safeguard for future housing need, and removing this option could create anxiety and generate complaints. If the policy was only applied to new applicants they would be advised of the policy at the point of applying. Over time the General group would diminish.

4(c) Retain a General group but stop new General applicants from joining, and stop advertising properties to the General group (although they can continue to bid for any properties, they will only be successful if there is no applicant from the Register of Housing Need)

This is a possible approach

4(d) Retain the General Group and allow new applicants to join, and advertise 10% of properties to this group

This is the preferred approach.

4(e) Retain the General Group and allow new applicants to join, and stop advertising properties to the General group (although they can continue to bid for any properties, they will only be successful if there is no applicant from the Register of Housing Need)

This is a possible approach

The final proposal, which is recommended regardless of which of the above (a-e) sub-options is preferred, is:

4(f) Following the initial mail-out, stop all annual reviews of the General group as the resources spent on this costly administration would be better deployed on advice services to people on the full range of housing options in Rotherham

This is recommended.

Proposed change 5: Within the Register of Housing Need categories, make the following additions

5(a) Add Armed Forces provision into the Emergency category

The Localism Act 2011, Regulation 2 amends section 166A(3) of the Housing Act so that local housing authorities in England must frame their Allocation Scheme to give additional preference to Members of the Armed Forces personnel and their partners in urgent housing need who were / are serving in the regular Forces at any time preceding their application. This also applies to bereaved spouses or civil partners where they cease to be entitled to occupy Ministry of Defence accommodation.

It is proposed that Emergency status in the current Allocation Policy be applied to those serving in the regular forces and is suffering from a serious injury, illness or disability which is attributable (wholly or partly) to the person's service, and Former Members of the Armed Forces and bereaved spouses or civil partners in Urgent Housing Need. This will be applied to partners and spouses if they have recently ceased, or will cease to be entitled, to reside in accommodation provided by the Ministry of Defence following the death of that person's spouse or civil partner who has served in the regular forces. Other Former Members of the Armed Forces not in urgent housing need will be awarded "Unsuitably housed status" up to 5 years from the date of discharge.

5(b) Add downsizing provision into the Emergency category

People may need to move to a property with fewer bedrooms, particularly as a result of the 'bedroom tax' under Welfare Reform, and they should be awarded Emergency status. A new downsizing policy document is being developed separately.

5(c) Add needing to move for reasons relating to employment in the Rotherham area, into the Urgent category

This will help to support people who have recently secured work, within the last three months and therefore contribute to tackling worklessness in the borough. Additional work will be required to set clear and detailed parameters for this category, including defining distances from their current home to the workplace.

5(d) Add to the Unsuitably Housed group people who are currently bidding, living with family / friends or dependants, and who are ready to live independently but cannot afford other housing options such as private rented accommodation or owner occupation.

Their application will be re-dated in the Unsuitably Housed or Priority Group to reflect the date of their first bid or in some cases where there are households in housing need but have not made bids, these will be considered and re-dated to when their circumstances changed. (Possibly due to the fact that some applicants may have considered making a bid but were put off because of their lengthy queue position)

Proposed change 6: Make changes to policy and procedures in order to more effectively manage the Housing Register and encourage behaviour change:

6(a) Once an applicant has refused two offers their application should be cancelled

As stated above, the bidder with the longest waiting time within the specified category will be offered the property. If the person accepts the offer they move in and their details are removed from the Housing Register. If they refuse the offer, the property is offered to the person with the second longest waiting time and so on. If a person refuses the offer of a property they have bid on they are allowed to remain in the category and bid for further properties.

The main reason for this proposed change is to prevent people from repeatedly bidding for properties they are not seriously interested in (thus reducing the administrative burden), and to ensure that only people who are in genuine housing need can remain on the Register of Housing Need.

6(b) Once a person has decided and agreed to have major adaptations work that meet their long-term needs their application should be cancelled.

The main reason for this proposed change is to prevent people who have requested and have been assessed for major adaptation work that meet their long-term needs and then utilise their live application to move following the installation of major adaptations, most of which have incurred costs to the Council of over £1000. It is proposed that during the application for adaptations the customer is provided with housing options, one of which is to transfer to an adapted home or where the customer prefers to remain in their own home and have the adaptations fitted that meet their long-term needs that any previous housing application should be cancelled. Where adaptations are fitted to assist the household with daily living, pending a move, the application will remain live.

6(c) Once an application has been cancelled for any reason, the applicant should not be allowed to re-enter the Housing Register for 12 months, unless their circumstances change

The Allocation Policy sets out circumstances when an application will be cancelled, for example where a tenant has been evicted, where an applicant is granted a new tenancy by the Council, or where a tenant has accepted a mutual exchange.

When a person is evicted for breach of tenancy conditions, their live application is cancelled, but they can apply to re-register a new application immediately. Some people who have committed serious breaches are excluded from registration for a set period of time, others are allowed to re-register.

The reasons for this proposed change are that it will:

- Ensure consistency
- Prevent people who have been evicted from a tenancy from repeatedly moving around
- Reduce void and administration costs
- Restrict new tenants from registering an application within the first 12 months of their new tenancy
- Assist in creating settled communities and improving community cohesion within estates.

We will ensure officers use their discretion in cases where people's circumstances change.

6(d) Once an applicant that has been accepted as statutory homeless refuses a suitable private sector offer, or a Council or RSL offer, they will be moved down to the 'Unsuitably Housed' group. On acceptance of a private rented offer their application should be cancelled.

The Council now has the power (through the Localism Act 2011) to discharge its statutory duty to homeless people by making an offer of suitable *private sector* property. Implementing this change will ensure that homeless applicants have broadly similar opportunities to other applicants.

A private rented sector offer made under homelessness legislation is intended for a long term settled move. In order to discharge the homelessness duty the private rented sector offer has to be on a 12 months tenancy. This means that both the landlord and tenant have made a commitment for a 12 month period. If the housing application wasn't cancelled when rehoused the tenant could move before the 12 month period ended and they would still be liable for rent payments to the Private Landlord. Even though the application is cancelled the person will be protected for 2 years if they become homeless as the Council will have a duty to offer alternative housing under homelessness legislation, irrespective of whether they are in priority need as long as they didn't become homeless intentionally.

The Council will retain existing rules for homeless applicants who are offered a private rented tenancy for less than a 12 months period. This means that following acceptance of the 6 months private rented tenancy the applicant can remain on the housing register and will be placed in the unsuitably housed group. The application date will change to coincide with the tenancy start date. Note that the tenant is still contracted and responsible for rent to the Private Landlord for the 6 month period.

6(e) Make it mandatory for all new tenants to sign a direct debit or standing order form to pay their rent, and have the right not to offer a property to customers who cannot afford to take on a tenancy.

When Universal Credit is implemented tenants will receive all their benefit payment via a bank account. The mandatory direct debit or standing order for rent payments will not only facilitate easier payment methods for the customers but will also reduce the risk of uncollected rent.

Currently applicants are provided with advice and information regarding affordability at the "Its Your Move" meeting. If an affordability check determines that a customer would struggle to afford the tenancy, the officer would try to encourage the applicant to re-consider and wait until their circumstances change. However if the applicant insists that they can afford the tenancy and wishes to take it on there is no provision in the current Allocation Policy for officers to refuse to make an offer on that basis.

Unless we find new more efficient ways to collect rent, there is a possibility that using existing rent collection ratios there would be a need for over 30 additional rents staff to allow for the effects of Universal Credit.

7.3 Next steps

- Submit the report for consultation to Improving Places Select Commission
- Undertake further consultation during July and August, including RSL's, partners and applicants
- Submit final report (with revised Allocations Policy appended) for formal sign-off, to Cabinet and Full Council in September/October 2013.
- Produce leaflet explaining changes to Allocations Policy and write to all people on the Housing Register within one month of formal adoption of the new policy in November/December 2013.

8. Finance

Implementation of the changes proposed in this report will help us to house homeless people more expediently and therefore reduce the cost to the Council of temporary accommodation.

It currently costs the Council approximately £10K per annum to send out annual letters to people in the General housing group, i.e. those who do not currently require housing. This would be

straightforward revenue saving if we stop providing administration to people who are not currently in housing need.

Although the removal of administration for the General group will result in some internal changes to staff workloads this will not have an impact on staffing budgets as other tasks will be undertaken, e.g. dealing with enquiries from people who may require advice on a wider range of housing options.

Following the completion of the revised Allocation Policy, a summary booklet will be amended and issued to existing and new applicants. This will incur a one-off cost of around 55p per applicant.

Most of the changes needed to the ICT system can be undertaken in-house at no extra cost, however there may be some more complex changes required which will incur a cost of £140 per day. This is envisaged to take no more than 5 days. The costs will cover amendments to the Housing Register and choice based letting module rules which ensure applicants are placed in the correct bidding queue position.

Changes to the Allocations Policy will need to be effectively communicated to staff. This training will be undertaken in-house by the Housing Options Manager.

9. Risks and uncertainties

Risk 1: If we continue to operate a single, open Housing Register with the General group being able to access 20% of all properties, the number of applicants is likely to balloon, and to the detriment of families who are struggling to find a decent home at an affordable rent level. Rotherham may also see an increase in applications from residents of neighbouring local authority areas who are considering applying criteria to their housing registers. By making the changes proposed in this report we will effectively manage people's expectations, without excluding anyone from the register.

Risk 2: The main risk associated with reducing the number of properties we make available to people in the General group is that of increased dissatisfaction with the Council, but we will mitigate this by ensuring a careful and robust communication strategy.

Risk 3: Rotherham has a strong focus on encouraging and supporting sustainable communities and by reducing the percentage of properties that go to people who do not need rehousing, and are not bidding, this may lead to a greater number of tenancies being issued to households who are in need of housing. However, it should be noted that households in housing need are not always deemed to be vulnerable people, and the proposed changes do still ensure that a proportion of properties go to the Unsuitably Housed (and possibly General) groups, enabling us to continue to achieve a degree of balance.

10. Policy and Performance Agenda Implications

Ensuring the Council's Housing Allocation Policy is as fair as possible will contribute to two of the priorities of Rotherham Partnership's Community Strategy: *Ensure the best start in life for children and families*, and *Support those that are vulnerable within our communities*.

It also contributes to four of the ten commitments within our new Housing Strategy:

- Commitment 1: We will deliver Council housing that meets people's needs
- Commitment 2: We will increase and improve the supply of affordable rented housing
- Commitment 6: We will help people to access the support they need
- Commitment 7: We will help people in Rotherham's most disadvantaged communities

11. Background papers and consultation

Background papers

- RMBC's Housing Allocations Policy, December 2008 (updated February 2011)
- RMBC's Response to Government Consultations; Allocation of Accommodation and Social Housing Fraud, Overview and Scrutiny Management Board, 23rd March 2012
- Laying the Foundations: A Housing Strategy for England. CLG, November 2011
- Localism Act 2011
- Discharge of Homelessness Statutory Duty, Cabinet, 18 July 2012

Consultation

Consultation was carried out during summer 2012 as part of the wider housing strategy consultation. We recorded a diverse range of opinions - although many thought we should continue to maintain an open Housing Register, several people also thought we should prioritise Council housing for those in need.

Once the proposed changes have been agreed we will implement a robust communication strategy to ensure all housing applicants are aware of the changes and how they will benefit.

12. Contact details

Jane Davies-Haire, Housing Reform Co-ordinator
Jane.davies-haire@rotherham.gov.uk / 01709 334970

Sandra Tolley, Housing Options Manager
Sandra.tolley@rotherham.gov.uk / 01709 255619