

WAVERLEY BOROUGH COUNCIL

[HOUSING OVERVIEW & SCRUTINY COMMITTEE

23 MARCH 2020

Title:

ALLOCATION SCHEME UPDATE

Portfolio Holder: Cllr Anne-Marie Rosoman, Portfolio Holder for Housing & Community Safety

Head of Service: Andrew Smith, Head of Housing Delivery and Communities

Key decision: Yes

Access: Public

1. Purpose and summary

1.1 The purpose of this report is to update Members as to the key aspects of Waverley's Allocation Scheme and its role in enabling the Council to allocate social housing, meet local housing need, prevent homelessness and create balanced communities.

2. Recommendation

2.1 The Housing Overview & Scrutiny Committee is asked to note and comment on this report and the latest version of the Council's Allocation Scheme, and agree any comments it wishes to pass to the Executive.

3. Reason for the recommendation

To give Members sight of the latest version of Waverley Allocation Scheme and legal framework behind it.

4. Background

4.1 Following the introduction of the Localism Act 2011, Waverley amended its Allocation Scheme in 2013 to exercise the new freedoms within the Act.

4.2 The amendments were primarily to do with restricting the eligibility criteria to those in most housing need **and** who had a connection to Waverley (with some exceptions e.g. those fleeing domestic abuse).

- 4.3 Previous to this virtually anyone could apply to go on Waverley's Housing Register although within the scheme the Council could give greater priority to those in most housing need and who had a local connection to Waverley.
- 4.4 Following the introduction of the new scheme in 2013 the number of households on the Council's Housing Register has reduced from 3506 in 2012 to 1018 in 2020.
- 4.5 Since 2013 there have been additional amendments to the Allocation Scheme to reflect legislative changes and to provide greater clarity on procedure. Such changes are signed off by the Head of Housing Delivery and Communities and the Housing Portfolio Holder.
- 4.6 Waverley's Scheme is a 'banding scheme' with 3 Bands A, B and C plus a Discretionary Pool for lower priority cases.
- 4.7 Within each band, applications are given a priority date, usually the date of application or the date when an application is awarded additional priority and moved to a high band. An application in Band A with a date of 12.12.16 will have a higher priority than one in the same band dated 16.12.16.
- 4.8 A summary of the main features of Waverley's Allocation Scheme is included in Annexe 1 and the Full Scheme is included in Annexe 2.
- 4.9 Annexe 3 contains statistical information regarding stock, lettings and the Housing Register.

5.0 Housing need and households groups

- 5.1 The law requires that certain elements of housing need such as homelessness or medical/welfare factors are given a level priority in the Allocation Scheme. This is known as 'reasonable preference' or 'additional preference'.
- 5.2 However, the Council can take other needs into account to reflect local need e.g. prioritising social housing tenants who are under-occupying larger homes to downsize, to free up scarce family sized homes.
- 5.3 Additionally, certain household groups who are less able to establish a local connection through residence must not be disadvantaged in an Allocation Scheme e.g. members or former members of the armed forces in housing need or those fleeing domestic abuse.

6.0 Homeless prevention

- 6.1 Since an earlier change in 2007, Waverley's Allocation Scheme has played a key role in helping Waverley prevent homelessness.
- 6.2 The Council's main way in preventing homelessness is by helping applicants threatened with homelessness to secure private rented accommodation. This in turn keep numbers in expensive temporary accommodation to a minimum. The Allocation

Scheme helps in this process by maintaining the Housing Register priority for households placed in private rented accommodation rather than reducing it on the basis that the private rented accommodation may be better than where they previously lived. As a result homeless households are encouraged to engage with the Housing Options team in their efforts to prevent homelessness with private sector accommodation.

7.0 Balanced Communities

- 7.1 Another key success of Waverley's Allocation Scheme has been providing a range of household types with social housing. This means that social housing is provided for those in employment and for those reliant of welfare benefits, those with medical/social issues and those without and this reduces the chances of severe deprivation being concentrated on Council estates and the resulting stigma and social problems that can result.
- 7.2 For example, the Council has a large range of one bedroom accommodation. If it then prioritised such accommodation only for those with the most significant needs e.g. ex offenders, those with drug/alcohol problems, physical disabilities, those with learning disabilities, victims of domestic abuse, care-leavers, those on welfare benefits etc. there may inevitably be social tensions, antisocial behaviour and deprivation and potentially exploitation and victimisation.
- 7.3 As a result tenancies may fail leading to homelessness and financial loss to the Council, both to the General Fund in managing homelessness and to the Housing Revenue Account due to loss of rent.
- 7.4 Estates would then develop a damaged reputation and the future letting of properties could as a result become increasingly difficult, again leading to financial loss or the estates being regarded as housing of last resort.
- 7.5 One of the drivers behind the Government's Green Paper about the perceived stigma associated with social housing was to address the damaged reputation that social housing can have as a result of deprived estates.

8.0 Debt and personal responsibility

- 8.1 The Allocation Scheme also plays its part in ensuring that housing applicants who owe the Council money (Council Tax arrears, Housing Benefit over-payments, Deposit Scheme debts) pay the Council back. The Scheme does this in a number of ways:
- 8.2 To be eligible for the Housing Register, applicants who owe a debt to Waverley must either pay the debt in full or enter into and maintain a repayment arrangement for at least 6 months.
- 8.3 If a housing applicant defaults on a repayment arrangement their application can be suspended meaning they will not be able to bid for properties through the Council's Choice Based Lettings system
- 8.4 If an applicant is successful in bidding for a property further checks are made in regard to their debts and these must either be cleared in full or reduced to below £500 for the

offer to progress.

8.5 Anecdotally, applicants with the prospect of a social housing offer will frequently clear a large proportion of their debt to Waverley in order for the offer to progress. This is of benefit in meeting their housing need as well as helping Waverley in its debt collection.

9.0 Verification and risk and the administrative burden

9.1 Waverley's Housing Register is managed by the Housing Options Service in addition to their work in prevention homelessness and advertising and allocating social housing in Waverley.

9.2 A balance has to be struck to ensure that the processes in managing the Housing Register are not overly onerous to the customer or to staff but at the same time ensure that applications and allocations are correctly registered and verified to prevent fraud.

9.3 To increase efficiencies, maximise choice and ensure accuracy, a number changes have been progressed in recent years:

- a) Since 2007 all available properties are advertised online through the Waverley Homechoice website. This enables housing applicants to express an interest in advertised properties online (known as bidding) or by phone if they do not have access to IT.
- b) Offers to successful bidders were previously made in writing with a formal offer letter but this has now changed to telephone contact or email/text
- c) Housing applications and accompanying documents such as ID and medical information are scanned and electronically stored removing the need for storing hard copy documents.
- d) Applications are reviewed annually on the anniversary of the application to ensure that the applicants' circumstances still meet the Allocation Scheme criteria.
- e) As part of the property offer process, applicants must complete a signed declaration confirming their up to date circumstances and the Council carries out checks regarding debts and ID has to be supplied at sign up.
- f) To ensure consistent assessment of applications in regard to eligibility and priority banding, a random sample of applications are regularly checked by managers.
- g) The team are piloting barcoding of documents such as annual reviews and medical form to reduce part of the administrative burden of the electronic storing of documents, known as indexing.
- h) To save on paper and postage costs the team will be moving to emailing registration letters to those providing email addresses.
- i) Staff assist vulnerable clients who struggle to engage with online bidding (and have no other support to help them do so), by placing bids on their behalf.
- j) The team have trialled an initial online application. However, unfortunately this

resulted in an increase in applications from those who are ineligible for Waverley's Housing Register and the resulting administrative burden associated with assessing and processing the applications. A further revision of the online process to try to resolve this proved to be too complex to introduce without being unwieldy for applicants and for staff. However, depending on the progression of IT systems and the associated costs, online registration could be explored in the future.

- k) Additionally, following on from the Pride or Prejudice report dated Feb 2019, the Housing Options and Homechoice Teams will review the current two stage application process to see how the process can be streamlined. The two stage process was designed to provide customers with an early indication as to eligibility to avoid them having to complete much more detailed information and then be disappointed.

10.0 Discretion, flexibility and reviews

- 10.1 Whilst Allocation Schemes are expected to provide clarity about who can and who cannot be registered and on levels of priority, they are also expected to have the necessary scope so that discretion and flexibility can be applied in exceptional or unusual circumstances.
- 10.2 By incorporating provision for the exercise of discretion within its Allocation Scheme the Council is not open to the legal challenge of 'fettering its discretion'. The application of flexibility or discretion is exercised by Senior Officers of Housing Service to ensure that it is appropriate to deviate from the standard priority criteria in the Scheme and that there is sufficient evidence to back up such decisions.
- 10.3 To maintain fairness and transparency, housing applicants have a legal right to request a review of negative decisions made in regard to their eligibility to join the Housing Register or level of priority awarded. Such reviews are dealt with by Senior Officers or Managers not involved in the original decision. However, unlike the homelessness legislation there is no legal right to appeal the reviewing officer's decision through the County Court.

11.0 Changes to the Allocation Scheme

- 11.1 Given the delicate balance between competing housing needs it is important that any changes or adjustments to the Allocation Scheme are measured and well thought through.
- 11.2 It is easy for what can appear to be a straightforward or minor adjustments to have significant unforeseen consequences once implemented. For example, one Surrey Borough took the view that given the high demand for social housing it would no longer allow applicants in adequately sized private rented housing onto its Register. However, following this change it quickly became apparent that this negatively impacted the Council's efforts to prevent homelessness by helping customers secure private rented accommodation. As a result placements into temporary accommodation increased along with the associated expenditure. The Council subsequently changed its scheme.

- 11.3 Housing legislation and Waverley's Allocation Scheme itself, allow for minor adjustments to be made to the Scheme through approval and sign off by the Head of Housing Delivery and Communities and the Housing Portfolio Holder. This reduces the administrative burden for Officers and Members.
- 11.4 Since 2013, 15 minor changes have taken place under these arrangements. As noted earlier in this report the changes that have occurred have reflected changes in legislation and points of clarity on procedure.
- 11.5 Given the number of minor changes that have occurred since 2013 and the importance of the Allocation Scheme in determining the allocation of social housing in Waverley, it is appropriate for all members to have the opportunity to view the latest updated version of Waverley's Allocation Scheme contained in Appendix B.
- 11.6 The Pride or Prejudice review outcomes have fed into this updated version of Waverley's Allocations Scheme:
- a) With the help of the Council's Communications Team the Homechoice website page regarding eligibility has been updated and refreshed to encourage those who are eligible to apply. This is in response to misconceptions highlighted in Pride or Prejudice review such as:

 '...it's difficult for young people to get on housing register..'. **In Waverley people can register from the age of 16**

 '...assumption that professionals should be able to afford private rents'. **Waverley's scheme, unlike others, allows those in private rented accommodation to register.**

 In the survey regarding income levels in the Pride and Prejudice report the majority of respondents thought the household income level for eligibility would be less than £40,000. **In Waverley's scheme it is in fact less than £60,000.**
 - b) Local Workers. Applicants who work locally accrue a local connection to Waverley through permanent employment of 16 hours or more after one year compared with the minimum residence requirement of 3 years out of the last 5.
 - c) The statistical information in Annexe 3 provides supply and demand data.
 - d) This report highlights that the application process will be kept under review and this will include again exploring the options of online applications and reviewing the two stage application process.

12. Conclusion

- 12.1 To summarise, the changes that have been made to Waverley's Allocation Scheme since 2013 have sought to maintain the sensitive balance between meeting local housing need and statutory requirements, complementing Waverley's homeless prevention approach, delivering balanced communities and maximising the opportunity to recovery debt owed to Waverley; without being overly onerous and expensive to administer.

13.0 Relationship to the Corporate Strategy and Service Plan

13.1 Waverley's Allocation Scheme helps maximise the availability of housing that meets the needs of local people..help prevent homelessness... and provides accommodation for vulnerable people ...including those experiencing domestic abuse.

14. Implications of decision

14.1 Resource (Finance, procurement, staffing, IT)

Waverley is not able to charge applicants for the administration involved in maintaining its Housing Register. However, Waverley's Allocation Scheme does play its part in maximising debt recovery by requiring housing applicants to their clear debts to Waverley as part of the eligibility and offer process.

15.0 Risk management

15.1 By having an up to date Allocation Scheme that reflects current legislation the Council reduces the risk of legal challenges

16.0 Legal

16.1 Waverley has a statutory duty under Part VI of the Housing Act 1996 (as amended) to have an Allocation Scheme to determine the relative priority of housing applicants being allocated social housing in the Borough and the procedures to be followed. Housing law requires that priority (reasonable or additional preference) is given to certain categories of people with specific needs or background as set out as set out in section 166A(3) of the Housing Act 1996. Following the Localism Act 2011 Councils have greater powers to set other eligibility and priority criteria to reflect local circumstances as long as these do not contravene equalities legislation. The Council must also have regard to guidance issued by the Secretary of State in exercising functions.

17. Equality, diversity and inclusion

17.1 The Allocation Scheme determines the eligibility criteria and level of priority for housing applicants on the Council's Housing Register. Housing applicants will include the most vulnerable in society e.g. customers who are homeless, victims of domestic abuse, people with physical disabilities, members and ex members of the armed forces, people with learning or mental health difficulties, frail elderly, people with drug/alcohol problems etc. The Allocation Scheme needs to ensure that properties are allocated fairly and does not exclude or disadvantage people due to their race, age, sexual orientation, disability, religion or gender.

18.0 Climate emergency declaration

18.1 This report highlights efforts to reduce the carbon footprint in the administration of the Allocation Scheme.

19.0 Consultation and engagement

19.1 Councils are legally required to consult with housing association partners regarding any significant amendments to their Allocation Schemes. Whilst the updated version of the Waverley Allocation Scheme does not represent a significant change, as a courtesy, the document has been sent to the main housing associations in the Waverley area.

20.0 Other options considered

20.1 'Do nothing' is not appropriate as Councils are legally required to have an Allocation Scheme and to keep it up to date to reflect legislation and procedural changes

21.0 Governance journey

21.1 Executive, Council.

Annexes:

Annexe 1 – Summary of the Scheme

Annexe 2 – Full scheme

Annexe 3 – Statistical information

Background Papers

There are / are no background papers, as defined by Section 100D(5) of the Local Government Act 1972).

Background papers are those that are referred to in the report, but are not published and accessible to the public.

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Agreed and signed off by:

Legal Services: date

Head of Finance: date

Strategic Director: date

Portfolio Holder: date