

Report from the Housing Allocations Task and Finish Group (Resources Overview & Scrutiny)

Chair's Forward

Waverley Borough Council's Corporate Strategy makes the delivery of "*good quality housing for all income levels and age groups*" a strategic priority and "*preventing homelessness and meeting housing needs, including needs for supported accommodation and housing for older people*" a key objective. To this end, the Council maintains a stock of 4,800 homes in total. How and to whom these are allocated is a vital consideration for meeting this objective.

Given this the work this Task and Finish group has undertaken in reviewing the Council's policies on housing allocation has been critically important. The blunt fact that Waverley does not have enough social or affordable homes has informed all recommendations and forced us to face some difficult trade-offs. It was with regret that we concluded we could not in good conscience recommend raising the income and savings threshold to join the housing waiting list. In addition, we could not recommend the provision of additional space to children from co-parenting families who move between two properties.

Obviously, this scarcity also places the Council's Housing Options and HomeChoice teams under immense pressure. I know that the whole Task & Finish Group would wish me to note how impressed we have been by their enthusiasm and expertise despite the difficult situation. We all greatly appreciate them finding the time to offer us assistance and advice.

We would also like to note our admiration for the local charities and voluntary groups helping those with housing or debt problems. Three local organisations contributed their invaluable insights to our deliberations. We made a specific recommendation to ensure their support is accessible to any applicants struggling to join the housing waiting list due to debts.

Though it was not directly within our remit, the Group was also struck by the absurd anomaly whereby people living in Farnham have a lower entitlement to housing benefit than other Waverley residents, even though their housing costs are broadly similar. It is not in the Council's power to rectify this. However, as councillors we owe it to the people of Farnham to highlight this unfairness and call on the Government to rectify it.

Despite the difficult situation, we are humbled by the good work being done across sectors to help those in housing need. Our seven recommendations whilst recognising the scale of the challenge, aim to build on and develop this work.

Councillor George Wilson

Chair, Housing Allocations, Task & Finish Group
Ward councillor for Godalming Farncombe and Catteshall

Executive Summary

In light of their discussions, the Housing Allocations Task and Finish Group (henceforth 'the Group') commend the following recommendations to the Resources Overview and Scrutiny Committee and ask that they endorse and convey them to the Executive:

1. The Council should keep the income threshold at £60,000 per annum and the savings threshold at £30,000. However, this should be reviewed by the Resources Overview and Scrutiny committee or another appropriate O&S committee within 12-18 months.
2. Establish a process to signpost applicants who are unable to join the housing register due to the income or savings threshold to Affordable Home Ownership Schemes notably shared ownership.
3. Maintain the existing position that children will only be accommodated in one home even if a 50/50 residence arrangement exists. An exception will be made if there is a court order in place requiring this or if Surrey County Council Children's Services (or an equivalent organisation elsewhere) provide compelling evidence that a second home is required.
4. Only housing related debts such as rent arrears and deposit scheme debts should be taken into account when considering eligibility for inclusion on the housing register and allocation of housing. Other debts such as council tax or housing benefit overpayments would be disregarded for this purpose.
5. Given the administrative burden in checking debts and that the average time someone is on the register is 2-3 years, it makes sense that checks at application stage are more light touch given an applicant's debts status can change so much over time.
6. Establish a process by which the Housing Options team signpost applicants unable to join the housing needs register due to debts to local debt advice charities.
7. The Chair of the Housing Allocations Group and the Chair of Resources Overview and Scrutiny to write a joint letter the Secretary of State for Housing, Levelling Up and Communities to reiterate the need for the importance of ensuring the Local Housing Allowance (LHA) rates properly reflect rents in Farnham.

Governance background

In 2019, the Housing O&S scrutiny review '[Attitudes to Council Housing: Pride or Prejudice](#)' recommended that a review was undertaken of the Council's Allocation Policy, to ensure an easy application process for all eligible residents, including local workers, and more representative demand data is collected, and the Council should expand develop its communication on allocation criteria to better educate members of the public on who is eligible for social housing.

In 2020, the Housing Strategy and Enabling Team commissioned an affordability and housing need study which has provided up to date local information to inform the allocation scheme.

In September 2021, the Housing Overview and Scrutiny Committee adopted a [scoping document](#) and agreed the membership for the group conducting the present review. Following the subsequent reconfiguration of Waverley's scrutiny arrangements, the Services Overview and Scrutiny committee adopted the role as the parent committee for this sub-group. However, in April 2022, there was a further revision to the remits of the Overview and Scrutiny committees. Thereafter, housing matters were handled by the Resources Overview and Scrutiny committee. Hence, it is to that committee that the Group will ultimately report.

[N.B. Unless otherwise stated, all the committees and other organisations referenced in this section are part of Waverley Borough Council].

Policy context

As Waverley Borough Council is a lower tier local authority, under s.166A of the Housing Act 1996 it is required to have Housing Allocation Scheme. It identifies the priorities that the Council will follow in the letting of its own Council stock and those Registered Provider (housing association) properties, to which it has nomination rights.

The Council's current scheme, last updated in October 2021, is attached as Annexe 1.

At present to be on Waverley's housing register applicants must:

- be considered to be in housing need and have a local connection to Waverley
- not owe Waverley Borough Council or another landlord money
- not own their home or have previously exercised the Right to Buy
- have an annual household income less than £60,000 and savings less than £30,000
- not have been proven to have committed anti-social behaviour, housing benefit fraud or sub-letting of social housing
- not already be a tenant of social housing to which the Council does not have a nomination right
- have a legal right to be included on Waverley's register

Those included on the Register are placed into Bands A-C depending on their level of housing need. Applicants who do not meet the criteria for Bands A-C can be placed in the 'Discretionary Pool'. This can include households that the Council is legally obliged to consider and those that the Council may need to house in the future such as those in supported accommodation but who are not yet ready to live independently.

Methodology

The Group consisted of the following members principally drawn from the former Housing Overview and Scrutiny Committee: Cllr George Wilson (Chair - Godalming Farncombe and Catteshall), Cllr Christine Baker (Milford), Cllr Patricia Ellis (Cranleigh West), Cllr Jacquie Keen (Haslemere Critchmere and Shottermill), Gillian Martin (Tenants Panel), and Cllr Michaela Wicks (Farnham Hale and Heath End).

They held an initial meeting to review the existing allocations policy and scope out topics for detailed discussion at future meeting. These were:

1. The annual gross income and savings/assets thresholds above which a household does not qualify for inclusion on the housing register
2. How to allocate homes in cases where a child is part of more than one household (e.g. if their parents have separated or divorced and are co-parenting in separate households)
3. Applicants who currently have an outstanding Council Tax, Housing Benefit, rent arrears, deposit bond or rent in advance debt to Waverley

Throughout this process, the group members were advised by officers from WBC's Housing Needs team and supported by officers from the Corporate Governance service. For the first topic meeting, the group members were able to draw on the affordability study and housing needs study conducted for the Council by external consultants. In subsequent meetings, the group was advised

by representatives from local third sector groups which work with council tenants and potential tenants. These representatives spoke on a 'Chatham House Rule' basis¹.

Income and savings thresholds

Recommendation 1: The Council should keep the income threshold at £60,000 per annum and the savings threshold at £30,000. However, this should be reviewed by the Resources Overview and Scrutiny committee or another appropriate O&S committee within 12-18 months.

Recommendation 2: Establish a process to signpost applicants who are unable to join the housing register due to the income or savings threshold to Affordable Home Ownership Schemes notably shared ownership.

Both as residents of the Borough and people who do casework on behalf of other residents, the group members came into this process already aware that housing in Waverley is expensive. Nonetheless, reviewing the results of an affordability study conducted for the Council by external consultants gave them a more precise insight into the dimensions of this problem. The median income of a local worker is inadequate not only to purchase a property in the lower quartile of the price range, but also to rent it without facing significant financial strain as a result. The extent of this mismatch is such that it would only be ameliorated and not eliminated by the provision of housing for "Affordable Rents" (generally 80% of market rent). This gives rise to a strong argument for expanding access to social housing and allowing more families to avoid a private market which has become unaffordable for them.

With wider eligibility, the housing waiting list would become a better barometer of housing need within the borough. Both the wait time and the length of the waiting list give the public and decision-makers an intuitive sense of the scale of that need. For that reason, they are often used in advocacy and communications.² Given this, allowing the waiting list to expand might promote understanding of the need for additional social housing. Though it should be noted that there are other measures to use to gauge and communicate housing need such as Waverley's Affordability Study and data from the HomeBuy Agent.

Such a change, would also challenge what the Housing Overview & Scrutiny Committee's "[Council Housing: Pride or Prejudice](#)" report identified as the "*dominant view that professionals do not live in social housing*" and, if successful, address the related stigma attached to tenants in social housing.³

However, the Group's view is that in practice changing the income and savings thresholds would do little to widen access to council housing. Officers reported that it is already comparatively rare for applicants to have incomes or savings approaching the threshold to apply for inclusion on the Register. Rather than wider formal eligibility countering unwanted perceptions, it is more likely that unless tackled through other means, mistaken views about council housing will nullify the impact of wider eligibility.

¹ "When a meeting, or part thereof, is held under the Chatham House Rule, participants are free to use the information received, but neither the identity nor the affiliation of the speaker(s), nor that of any other participant, may be revealed." <https://www.chathamhouse.org/about-us/chatham-house-rule>

² <https://www.local.gov.uk/about/news/housing-waiting-lists-could-double-next-year-one-10-stuck-queue-more-5-years-new>
<https://www.housing.org.uk/news-and-blogs/news/the-real-social-housing-waiting-list-is-500000-more-than-official-figures/>

³ [version 11 draft report \(waverley.gov.uk\)](#) p.16

Furthermore, the real constraint on the council's ability to house more tenants is the highly constrained supply of council homes. In this context, adding those with relatively greater resources to the Register would mean longer waits for those with less. It is also arguably unethical to build unrealistic expectations by encouraging people to join the waiting list who will realistically not rise to its top in the foreseeable future.

The Group also noted that even if buying or renting privately are not practical options for many households earning above £60,000, they are more likely than households earning below the threshold to be able to access alternatives such as Affordable Rent or Shared Ownership. However, residents should be made aware of these options. Therefore, there should be a process whereby default any applicants who are not unable to join the housing register due to their income or savings should be invited to apply for the Affordable Home Ownership Schemes.

As the Allocation Scheme is a living document and is updated as needs and legislation changes, the income and savings levels, along with other eligibility measures, will be kept under review by the Housing Delivery and Communities Service. This will continue to ensure that the Allocation Scheme helps those in most housing need in Waverley in the context of social housing supply and demand and achieving balanced communities. As already outlined in the Allocation Scheme, any recommended minor adjustments to the scheme are signed off by the Portfolio holder and Head of Service and more significant changes through the committee process.

Co-parenting households

Recommendation 3: Maintain the existing position that children will only be accommodated in one home even if a 50/50 residence arrangement exists. An exception will be made if there is a court order in place requiring this or if Surrey County Council Children's Services (or an equivalent organisation elsewhere) provide compelling evidence that a second home is required.

The Group recognises that this will lead to an outcome which is far from ideal. No one would want to see some children going without their own bedroom half of the time, whilst others with a different family structure have one all the time. Therefore, in a situation where council housing was plentiful the Group's recommendation would be different.

However, given that there is a severe shortage of council homes, they cannot support allocating properties in way that leaves a bedroom unoccupied half the time. This is especially so given that the shortage is most acute for properties large enough to accommodate families. Therefore, there is a real risk that a policy choice, in effect, to allocate two bedrooms in two different properties for a single child would lengthen the time households will remain on the register before being offered a property.

The advice from our representatives from the voluntary sector is that this trade-off would not be welcomed even by co-parenting households, whose priority in most cases is apparently to secure stable accommodation which enables their children to continue attending the same school. Having fewer family-sized homes available would reduce the likelihood of the Council being able to deliver this.

Applicants with debts to the Council

Recommendation 4: Only housing related debts such as rent arrears and deposit scheme debts should be taken into account when considering eligibility for inclusion on the housing register and

allocation of housing. Other debts such as council tax or housing benefit overpayments would be disregarded for this purpose.

Recommendation 5: Given the administrative burden in checking debts and that the average time someone is on the register is 2-3 years, it makes sense that checks at application stage are more light touch given an applicant's debts status can change so much over time.

Recommendation 6: Establish a process by which the Housing Options team signpost applicants unable to join the housing needs register due to debts to local debt advice charities. One of the representatives from a local third sector organisation warned the group that many local residents are facing a *"tsunami of debt coming from all directions"*. This reflects the ending of various formal and informal moratoriums on debt collection associated with the Covid-19 crisis and the drastic upswing in inflation. Therefore, members of the working group consider how the Allocation Policy deals with applicants in debt to be a key issue.

Currently housing applicants can be excluded from the housing register if they owe a debt to Waverley and have not maintained a repayment plan for at least 6 months. The debts considered are Housing related debts such as rents arrears and deposit scheme debts but also Council Tax and Housing Benefit over payment debts and any associated Court debts.

There are good reasons to have strong incentives for all Waverley residents, including those in or seeking Council housing, to settle debts with the Council. For example, investment in and maintenance of the Council housing stock is funded by tenants' rents. Therefore, rent arrears negatively impact all tenants.

However, the Group's view is that only those debts directly associated with the Council's housing operations should be taken into account when considering an application to join the housing register. Therefore, whether an applicant had unpaid Council Tax or overpaid Housing Benefit would not be checked. Performing any debt check represents a significant administrative burden on the Housing Options and Homechoice teams as with the exception of Council rent debt, the relevant information is not held by the housing service – but within the accounting software used by the Council. This system is designed for finance professionals and housing officers reported that both accessing it and interpreting the results was time consuming.

In this context, the Group find these extra checks hard to justify. Firstly, because there are other more robust mechanisms by which Council Tax and Housing Benefit debts owed to the Council can be recovered. The Group did not hear any evidence that additional housing register checks lead to appreciably higher rate of debt recovery. Secondly the group felt that a better balance needs to be struck between ensuring debts are repaid to the Council and meeting housing need. Some clients can be awaiting housing much longer due to struggling to reduce their debts to Waverley. As a result, they can be living in overcrowded accommodation that negatively impacts the welfare and educationally needs of children and their future life chances. By removing Council Tax and overpaid Housing Benefit from the Council's debt requirements (but retaining rent arrears and rent deposit scheme debts) there is an increased chance that the housing needs of the more vulnerable families in the borough can be met. This helps reduce the burden on other statutory and voluntary agencies in supporting these households and maintains a better balance between meeting housing need and holding applicants accountable for debt.

Additionally, the group noted that the current regime of financial checks creates a considerable admin burden. They are not only conducted at the point of application but also during the annual review and prior to an accommodation offer. Given that a typical applicant now spends years on the

register, this burden is multiplied many times over. A lighter touch approach would enable the team to concentrate resources on preventing homelessness and allocating homes, rather than checking the status of debts that will have little relevance by the time an applicant is likely to be rehoused.

Furthermore, the Group felt that if financial checks revealed an applicant was struggling with debts of any kind, then the Council has a responsibility to take positive steps to assist them. The Group would, therefore, wish to see a system in place to signpost these applicants to local charities and voluntary organisations which offer debt counselling.

Local Housing Allowance in Farnham

Though the Group's focus was on the Council's Allocations Policy, the evidence gathered and the resulting discussions did also touch on associated issues. This gave rise to the recommendations below.

Recommendation 7: The Chair of the Housing Allocations Group and the Chair of Resources Overview and Scrutiny to write a joint letter the Secretary of State for Housing, Levelling Up and Communities to reiterate the need for the importance of ensuring the Local Housing Allowance (LHA) rates properly reflect rents in Farnham.

LHA rates determine the amount of housing benefit tenants renting from private landlords are eligible for. For LHA purposes, Farnham is part of the Blackwater Valley area, whereas Godalming, Haslemere and other parts of Waverley are in the Guildford area. The rates payable for the Blackwater Valley area are substantially lower than in the Guildford area. For a two-bedroom property, the difference is about £50 a week. Despite, this there is broad parity in the rents in Farnham and the rest of Waverley. This makes it difficult to accommodate households in receipt of housing benefits within Farnham. For those affected, this can be highly disruptive. For example, as discussed above parents are typically very reluctant to change their child's school if it can be avoided. Furthermore, the fiscal rationale for not rectifying this anomaly is weak. Housing officers reported that the solution is often to place households in the Guildford LHA area, where they can claim the higher rate.