

## CHANGES TO THE HOUSING ALLOCATION POLICY

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<b>Cabinet Portfolio</b>	Social Services, Health and Housing
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<b>Papers with report</b>	Appendix One: Housing Register Demand March 2011 Appendix Two: Impact Assessment Analysis Appendix Three: Overcrowding Guidelines  <b>Also attached:</b> <b>Proposed Draft Social Housing Allocations Policy</b>

### HEADLINE INFORMATION

<b>Purpose of report</b>	This report is presented to Cabinet for approval of the changes suggested to the Council's housing allocation policy.
<b>Contribution to our plans and strategies</b>	The recommendations contribute to the council's vision of putting our residents, as well as to SCHH priorities: <ul style="list-style-type: none"><li>○ Providing good quality housing and housing management to our residents,</li><li>○ Improving and promoting the health and well being of adults and older people,</li><li>○ Improving the life chances of all Hillingdon children.</li></ul>
<b>Financial Cost</b>	None
<b>Relevant Policy Overview Committee</b>	Social Services, Health & Housing
<b>Ward(s) affected</b>	All

### RECOMMENDATION

That Cabinet approve the changes outlined in this report and the attached Draft Social Housing Allocation Policy, which have been broadly grouped under these headings:

- A. Introducing local preference
- B. Addressing overcrowding
- C. Encouraging personal responsibility
- D. Financial considerations
- E. Removing discretion
- F. Introducing annual lettings plan

## **INFORMATION**

### **Reasons for recommendation**

1. 'Fair and flexible' a revised statutory guidance on social housing allocation was issued in December 2009. As a result, officers have drafted enhancements to the Housing allocation policy which support the Council's objectives and encourage greater social responsibility within the community.

### **Alternative options considered**

1. Not to approve the changes to the allocations policy.
2. To change some of the proposals.

### **Comments of Policy Overview Committee(s)**

During the 2010/11 municipal year, the External Services Scrutiny Committee set up a Working Group which reported to Cabinet on the issue of overcrowding and its impact upon the educational attainment of young people. This report seeks to address some of the recommendations raised in that report.

### **Supporting information**

3. The Housing Allocations policy was last reviewed in May 2009.
4. In December 2009 the Government updated its statutory guidance on social housing allocations (legislation did not change).
5. To ensure fair access to our limited social housing resource and to promote individual social responsibility within the community the Council is proposing a number of changes to how housing is allocated which are set out within this document.
6. When proposing any policy changes the Council has a duty to ensure they remain within the legislative framework governing the allocation of housing within its area.
7. The Council receives an average of 3,000 housing applications per year from people who want to be housed. At 31/03/11 there were 7735 households on Hillingdon's Housing register, of which 3244 (42%) are in housing need. Each year there is an average of 800 homes available to let. As demand exceeds supply, the system for prioritising allocation is set in the 'Housing Allocation policy'
8. Allocation of Council housing is set within a legal framework contained within the Housing Act 1996 and subsequent amendments made by the Homelessness Act 2002. The council is required by law to give "reasonable preference" to certain groups that are identified within the legislation as being a priority or in greater need. These groups include:
  - o People who are homeless
  - o People occupying unsanitary, overcrowded or otherwise unsatisfactory housing
  - o People who require supported accommodation, for example sheltered accommodation
  - o People who need to move for medical or welfare reasons and
  - o People requiring accommodation as part of a care plan.
9. The Housing Act 1996 also allows Councils to give additional preference to people in the above groups who are considered to have more urgent housing needs. Hillingdon operates

a choice-based letting (CBL) system to allocate housing, and awards households with Reasonable Preference 'Bands' A to C in the CBL system.

10. Because of the legislative requirement to adhere to the Reasonable Preference groups, when making any change to the policy the Council must ensure that these changes do not impact adversely on any particular needs group or community e.g. people from BME communities. We must also be sure that the reason for any policy change can be justified.
11. A table showing the current levels of demand for housing in Hillingdon is shown in Appendix One and the impact of the proposals on the housing register priority 'bands' is shown in Appendix Two.

## **Changes to the allocation system**

12. The paragraphs of the report in this section contain the detail behind the proposals for changes to the way accommodation is allocated to certain groups.

### **A. Introducing local preference:**

13. When the allocations policy was last reviewed in May 2009, the real benefits of the key policy intentions to those awarded local priority was limited as the legislative framework was restrictive. In practise these restrictions meant that an additional 12 months could be added to the waiting time of those households already considered to be in a reasonable preference group (in housing need) which was only beneficial if they were competing for a property with another household with the same 'band' priority. This applied to couples over 21 without children and households with 10 year local residency.
14. In the case ex-service personnel, they were awarded local lettings priority 'Band C' as there was provision for local authorities to take into account local need as long as the numbers were low enough not to significantly impact upon the housing allocation scheme as a whole. As demand was yet to be established, it was considered that there would have been minimal impact from this group on other households.
15. As the revised statutory guidance issued in December 2009 clarifies and reinforces that local authorities have flexibilities within the allocation legislation to meet local pressures, further enhancement to local priority groups is proposed. Local authorities are now able to:
  - Adopt local priorities alongside the statutory reasonable preference categories
  - Take into account other factors in prioritising applicants, including local connection.
  - Operate local lettings policies
16. A review of the existing groups has been carried out which is set out in table one below. In addition, a telephone survey was carried out in February 2011 with households from these identified groups. The outcome was inconclusive to measure the benefit of the local policy as the number of respondents was small (11).

**Table one: Review of local additional preference:**

Identified groups	Previous demand pre – May 2009 policy	Housed to date	Existing quota	Current demand based on existing policy	Current local priority policy	Proposed local priority policy	Estimated demand based on proposed policy
Couples aged 21+ without children	29	6	20	21	Awarded additional 12 month waiting time to those already in 'Bands A-C'	Retain but award automatic 'Band C' priority if in unsettled & unaffordable housing	71
10 year local residency	102	33	70	64	Awarded additional 12 month waiting time to those already in 'Bands A-C'	Retain but award automatic 'Band C' priority if in unsettled & unaffordable housing	207
Ex-service personnel	Unknown	4	10	17	Awarded 'Band C' priority	Retain but award higher 'Band B' priority	17

17. In order to realise the full benefits of the original policy intention, it is therefore proposed that:

- Couples aged 21+ without children are awarded automatic 'Band C' priority
- Households who have lived in the borough continuously for ten years are awarded automatic 'Band C' priority

18. However, in order to balance the needs of all groups on the register, a secondary housing need criteria will be applied to those two groups. For the purposes of this policy, having a Housing Need is defined as either:

- Living in housing which is **not affordable** = this will be based on an individual income and expenditure assessment which takes into account household's income, including any earnings, benefits, allowances, as well as all of the household's essential living expenditure OR
- Living in **unsettled or insecure housing** = households with school age children who have held tenancies but moved house 3 or more times in the last 24 months, OR households without school age children who have held tenancies but moved house four or more times in the last 24 months.

19. In relation to ex-service personnel, we have established demand from this group and expect to provide housing for approximately 15 households a year. As the numbers are relatively small, it is proposed that their 'band' priority be increased from 'C' to 'B' (urgent need to move).

20. In addition, it is proposed that two new groups below are also awarded additional 'band' priority:
- Households where one or more adult is in secure employment,
  - Households that contribute to the community through volunteer work.
21. It is proposed that quotas which previously allocated a fixed number of lettings to the local groups is removed as their need have been balanced against the demand and availability of social housing in the borough to ensure that the policy is sustainable and does not significantly impact on other reasonable preference groups.
22. This proposal reaffirms our commitment to take into account the particular needs and priorities of the local area, to house those in greatest need, support creation of stable communities through meaningful long attachment to the area, drive up aspirations and challenge myths and misunderstandings about having children to get on the housing list.

**Table two: Summary of proposed local additional preference**

Identified groups	Current demand (Band D)	Estimated demand (Band C)	Estimated demand (Band B)
Local connection 10+ years	144	71	0
Ex service personnel	0	0	17
Childless couples	207	100	0
Community Contribution	200	100	0
Employment	366	250	0
<b>Total</b>	<b>917</b>	<b>521</b>	<b>17</b>

## **B. Addressing overcrowding:**

23. In support of the Council's commitment to meeting the needs of overcrowded households and improving the life chances of young people, households which are lacking 2 or more bedrooms, where the overcrowding is caused by school aged children and where all children in the household are aged under 20 years will have their priority band increased from 'band C' to 'band B'.
24. A working group met in autumn 2010 to review overcrowding and its effect on educational attainment and children's development. The final report from this group highlighted the link between overcrowding and educational attainment, and contained several statements for future policy direction including recognition of the serious impact of overcrowding on many families and dissatisfaction with the current definitions of overcrowding set by statute, which do not accurately reflect the conditions in which many households live.
25. Previously, only households which met statutory overcrowding levels were awarded a 'band B', and all other groups, regardless of the ages of the children and the severity of overcrowding were awarded 'band C'. The proposed priority 'band' change recognises that there are different levels of overcrowding and addresses this concern, therefore benefiting 166 families.

**Table three: Overcrowding:**

	Number	Description
Overcrowded households on register	1470	All households who have been assessed as being overcrowded (assessment framework attached as Appendix 3)
Severely Overcrowded (New 'band B')	166	Households with a need for 2 or more bedrooms where the overcrowding is caused by school age children & where all children are aged less than 20 years.
Overcrowding by 2 or more rooms – not severe.	117	Overcrowded households in need of 2 or more bedrooms, no school age children &/or all children not aged under 20 years. This overcrowding is defined as not severe because it is considered to be within the family members own capacity to manage either through the adult non dependants moving out of the overcrowded home, or where any children are of a young age and are therefore less severely affected.
Moderate Overcrowding	1187	Households needing only 1 additional bedroom.

**C. Encouraging personal responsibility:**Homeless households

26. Homeless households living in temporary accommodation take on average one year longer to be housed than other households in 'band C'. This is because this group are typically reasonably accommodated in good quality leased properties in comparison with other households in this band and so do not exercise their choice to bid for properties through the choice based letting system (CBL) as actively as other households.
27. Keeping homeless households in temporary accommodation is costly to the council. This policy change is intended to encourage homeless families living in temporary accommodation to actively participate through the CBL system to obtain a settled home. The cost differential for an average 2 bed household living in temporary accommodation & living in social housing is £6443.54 per year.
28. There are on average 300 lets to homeless households per year. If each of these households is housed one year sooner, there will be an estimated annual saving of £1,933,062 on Hillingdon's housing benefit bill.
29. It is proposed that homeless households living in temporary accommodation are made one suitable direct offer of settled accommodation if they have not actively placed bids AND been in temporary accommodation for longer than other households with the same 'priority band' and bed size need.

**Table four: Comparative average waiting time**

Bed Size need	Average waiting time
Studio general needs	2 years
1 bed general needs	1 ½ years
2 bed flat/maisonette	2 ½ years
3 bed flat/maisonette	3 ½ years
4 bed house	3 years

All households

30. There are 800 lets on average per year to social housing in Hillingdon. Each year over 900 households do not attend scheduled viewings of suitable properties they have bid for – typically at least one household per property advertised. Reducing the volume of wasted bids by 50% will result in at least 1 extra interested household being invited to view each unit.
31. It is proposed that a reduction of 1 month's waiting time be applied if they do not attend a viewing for a property they successfully bid for. This would be a deterrent as the household could be adversely affected in the future if two households with the same priority 'band' bid for the same property as waiting time becomes the deciding factor.
32. This proposal is intended to encourage households only to bid for properties they are interested in thus improving the transparency of the lettings process and increases the likelihood of those at the top of a short list being offered a property.
33. The proposal is also expected to improve service delivery by reducing the volume of administration for housing management teams through better attendance at viewings and more lets achieved first time.

Time limiting priority 'band A'

34. The current allocations policy awards 'Band A' which is the highest priority to certain groups with an emergency, but includes no time limit on the duration of the 'band'. In practice this reduces the effectiveness of 'Band A' by allowing households to remain for excessive periods in that 'band' and not actively exercise their choice to move.
35. It is proposed that a time limit of 3 months for 'band A' emergency cases be applied to the following groups:
- Homeless end of lease
  - Un-authorised occupants in priority need
  - Ex service tenants
  - Management Transfers or Reciprocal swaps
36. Households not re-housed after the 3-month period will have their case reviewed and the banding will either be extended for another defined period or reversed to the original band, depending on the household's individual circumstances, bidding history and need.
37. 'Band A' applicants who were housed in 10/11 waited varying times depending on the availability of the property size/type they bid for, as follows:
- 2 bed flat/maisonette = 4 weeks
  - 2 bed house = 3 months
  - 3 bed flat/maisonette = 9 weeks
  - 3 bed house = 6 months
  - 4 bed house = 10 months.

38. For all but the largest size property, households were typically housed within the 3 month time period. Introducing a review of the priority band after 3 months will encourage active participation in the CBL process and reduce the size of emergency 'band A' households to reflect accurate need. This change is likely to affect 5 -10 households per year.
39. It is also proposed that a time limit of 6 months be applied to those families to whom housing is provided to enable fostering or adoption. The longer time period allowed for this group reflects the fact they tend to require larger properties which are less readily available. Households not re-housed after the defined period will have their case reassessed and the banding will either be extended for another defined period or reversed to the original band, depending on the household's individual circumstances, bidding history and need.
40. An average of four households per year are awarded 'band' A to enable fostering and adoption.

#### Traveller's site pitches

41. Traveller's site pitches is currently allocated by making direct offers from a managed waiting list. For transparency and equality of access, it is proposed that allocation of the pitches is done through the current choice based lettings system. On average there are between 10 -15 travelling households on the housing register at any time who have expressed an interest in a caravan pitch.

### **D. Financial considerations**

42. It is proposed that the current policy whereby households with property equity of >£30k are not considered eligible for social housing should remain unchanged ('band' D). However, individuals who cannot afford to upgrade their property to meet any changing need will be supported to ensure that they are not trapped in unsuitable housing:
- Where the accommodation impacts on mobility problems, assistance will be provided through Disabled Facilities Grant (which is means tested) OR
  - Supported to obtain/purchase accommodation in the private sector where there is provision in the market for extra care, sheltered and adapted housing.
43. It is also proposed that households with income of £30k+ (the average gross annual pay for full time workers living in Hillingdon) should not be considered eligible for social housing ('band D'). Whilst social housing is not means tested, the Council can award low priority if a household has sufficient financial means in which to secure their own accommodation. These households will be supported to obtain accommodation in the private sector.
44. In order to ensure that the equity and income threshold remains affordable, it is recommended that delegated authority is given to the Head of Housing in conjunction with the Cabinet Member for Social Care, Health & Housing to review and change the thresholds taking into account economic changes.
45. At 31<sup>st</sup> March 2011 there were 67 households on the housing register seeking social housing with a declared income over £30k.



## **E. Removing discretion**

46. It is proposed to remove the current provision for allowing a second succession to household members not eligible to succeed under statute.
47. The proposal allows tenancy succession only once per household, with exception for cases which are vulnerable as defined by Homelessness Act and where the Head of Housing has agreed that this is the case. These applicants will have a clearly defined need and be of pensionable age or over 50 with learning difficulties, and will also have lived in the property for the past 10 years or for as long as it has been available.
48. Secondary succession is applied for by an average of 15 households per year. As a result of the proposed policy change this is projected to reduce to around 4 households per year. Restricting secondary succession in this way will mean that those households which met the vulnerability criteria set out above will be guaranteed a secure and appropriate home, and will allow the Council to free up properties for those in need.

## **Financial implications**

49. The Council could incur legal costs if a judicial review challenge of the proposals is successful.

## **EFFECT ON RESIDENTS, SERVICE USERS & COMMUNITIES**

### **What will be the effect of the recommendation?**

50. The recommendations are intended to reflect the requirements of the local community where these are established, and to avoid any significant adverse impact on any particular group of the community as well as other households in housing need. Whilst particular groups are awarded varying levels of priority under the proposals, they do not significantly alter the principles and function of the housing allocation scheme as a whole.
51. In addition, to mitigate other effects and ensure that local needs are met, we propose to introduce an annual lettings plan which supports policy objectives around meeting the greatest housing needs, creating more balanced sustainable communities and keeping residents independent.
52. The plan will be published, monitored and reviewed annually in order to address any changing needs.

**Table five – Annual lettings plan groups**

Group	Estimated Demand (total households)	Current annual % of lettings	Proposed annual % of lettings
Homeless households	<b>1000</b>	<b>34%</b>	<b>45%</b> of general needs lets
Overcrowded	<b>1470</b>	<b>22%</b>	<b>20%</b> of general needs lets
Under occupiers	<b>190</b>	<b>6.5%</b>	<b>9%</b> of all lets
Freeing up supported or residential accommodation (includes care leavers)	<b>125</b>	<b>3.5%</b>	<b>15%</b> of all lets
Transferring tenants	<b>1476</b>	<b>26%</b>	<b>10%</b> of all lets
Medical need to move	<b>157</b>	<b>3%</b>	<b>3%</b> of all lets
Others (e.g. severe social hardship cases, local priorities)	<b>700</b>	<b>5%</b>	<b>8%</b> of all lets

### Consultation Carried Out or Required

53. A copy of the draft proposed policy document was sent to every Registered Provider in the Local Housing Partnership, to the West London authorities, all 3<sup>rd</sup> sector partners who attend the single homelessness group and the Housing Services Senate. In addition, information was placed on the council's website, the Locata website and the Targeted Housing Options web portal.

54. Comments received were generally supportive of the proposals. There were some queries on the detail of certain elements of the policy as well as on the lay out of the draft policy document. Responses received from members of the public focussed in the main on the impact of the policy changes on the individual respondent and their needs as a Hillingdon resident. Responses were received from Catalyst Housing Association, Thames Valley Housing Association, and A2 Dominion Housing Association.

55. All the responses were in support of the changes overall, though there were some requests for clarification on how the proposals would be implemented and queries about the impact on certain groups. These were addressed and all responses were individually reviewed and incorporated into the policy where appropriate. Each respondent was contacted directly to thank them for their involvement.

## **CORPORATE IMPLICATIONS**

### **Corporate Finance**

56. A corporate finance officer has reviewed the report and the financial implications within it, and is satisfied that the financial implications properly reflect the risks associated within the proposed changes to the Council's housing allocation policy.

### **Legal**

57. Cabinet has before it a Recommendation seeking authority to approve the proposed changes to the Housing Allocation Policy.

Under Article 7.08(c) of the Council Constitution, Cabinet as a whole has overall responsibility for proposing policy development, changes and new policy, and for developing proposals that require the Council to amend its policy framework.

The above recommendation must therefore be authorised by Cabinet.

Article 13 of the Council Constitution requires that all key decisions taken by Cabinet follow the seven principles set out therein, which if followed, should minimize the risk of judicial review of the decision to amend the Housing Allocation Policy.

58. A Housing Legal Services Officer has checked each strand of the proposals as part of the development process to ensure that the new policy does not pose any additional risk to the Council and complies with current legislation and case law
59. "Section 167(1) of the Housing Act 1996 requires every local housing authority to have an allocation scheme for determining priorities, and the procedure to be followed in allocating housing accommodation. By section 167(8) a local housing authority shall not allocate housing accommodation except in accordance with its allocation scheme.
60. Before making an alteration to its allocation scheme reflecting a major change of policy, a local housing authority is required by section 167(7) to send a copy of the proposed alteration to every registered social landlord with whom it has nomination arrangements and afford them a reasonable opportunity to comment on the proposals."

## **BACKGROUND PAPERS**

1. Current Housing Allocations Scheme - attached & available on the council's website under Housing Services, Allocations policy at the following link:  
[http://www.hillingdon.gov.uk/media/pdf/a/q/Summary\\_of\\_Allocations\\_Policy\\_Aug\\_2009.pdf](http://www.hillingdon.gov.uk/media/pdf/a/q/Summary_of_Allocations_Policy_Aug_2009.pdf)

## **Appendix One – Housing register demand as at March 2011.**

				White	BME	Other/Unknown	Total
Hillingdon Borough *			Number	192,120	46,642	4,244	243,006
			Percentage	79.06%	19.19%	1.75%	100.00%
Total Housing Register **	All Bands	Number	3,602	3,093	1,040	7,735	
		Percentage	46.52%	39.95%	13.53%	100.00%	
	Bands A-C	Number	1,536	1,261	447	3,244	
		Percentage	47.35%	38.87%	13.78%	100.00%	
Homeless applicants **	All Bands	Number	488	466	129	1,083	
		Percentage	45.06%	43.03%	11.91%	100.00%	
	Bands A-C	Number	419	423	104	946	
		Percentage	44.29%	44.71%	10.99%	100.00%	
Existing Council and Housing Association tenants wanting a transfer **	All Bands	Number	868	463	148	1,479	
		Percentage	58.69%	31.30%	10.01%	100.00%	
	Bands A-C	Number	605	313	106	1,024	
		Percentage	59.08%	30.57%	10.35%	100.00%	
First Time applicants living in Private Sector or with Family & Friends **	All Bands	Number	2,246	2,164	771	5,181	
		Percentage	43.35%	41.77%	14.88%	100.00%	
	Bands A-C	Number	512	525	237	1,274	
		Percentage	40.19%	41.21%	18.60%	100.00%	

Source:

\* - 2001 census

\*\* - Housing register demand

## **Appendix Two – Impact of proposed changes.**

### **Housing Register as at 31<sup>st</sup> March 2011**

	Band A	Band B	Band C	Band D	Total
Current priority	99	284	2869	4483	7735
Policy impact	99	467	3207	3962	7735
	Unchanged	+183	+338	-521	

- There will be an additional 521 households who will benefit from the changes and 183 with increased priority (overcrowded families with school age children (166) and ex-service personnel (17)).
- There is no change in numbers to those with emergency priority 'Band A'. However, this priority will be time-limited in order to accurately reflect the circumstances.
- The waiting time for ex-service personnel will be reduced as they will be treated as an urgent need ('Band B').
- There is a positive impact for households with school age children who are living in overcrowded circumstances in that the effects of overcrowding on educational attainment is recognised by awarding 'Band B' urgent need to move.
- The flexibility given to authorities to meet local needs has resulted in a number of residents benefiting from the changes – childless couples, workers or those doing voluntary work and people with local connection of over 10 years.

## **Appendix Three – Overcrowding Assessment Criteria.**

### **Statutory overcrowding:**

The Housing Act 1985 defines the minimum standards of space the Government considers a family needs to live in. This is done using two separate calculations to determine:

- How many “people” are considered to be part of the household.
- How many of those people are expected to sleep in each of the rooms available for this purpose.

The definitions that are set by the legislation for these 2 calculations are as follows:

### **People**

An adult living in the property	One person
A child aged 10 or over	One person
Children aged between 1 and 10 years	Half a person
Children under 1 year	Not counted/not considered for purpose of room standard

### **Room Occupancy**

Floor Area of Room	Number of persons
110 sq foot or more	2
90 sq foot or more but less than 110 sq foot	1.5
70 sq foot or more but less than 90 sq foot	1
50 sq foot or more but less than 70 sq foot	0.5

### **Rooms available for sleeping:**

- All bedrooms and living rooms in the accommodation are taken into account in the calculation, whether or not the household is or wishes to use them for sleeping.
- Bathrooms and kitchens are not included as sleeping accommodation.
- Open plan kitchen/living rooms are not included as sleeping accommodation.
- Rooms which contain a back boiler are not included as sleeping accommodation on health and safety grounds.
- Rooms with a floor area of less than 50 sq foot are not included as sleeping accommodation.

### **Overcrowding:**

Hillingdon has its own accommodation occupancy standards which sit alongside the statutory regulations which we use to determine and categorise other less serious overcrowding.

Accommodation is assessed using the following guidelines:

<b>Household size</b>	<b>Size of property</b>
Lone person	Studio flat or one-bedroom
Couple without children	One-bedroom
Pregnant woman (with or without partner)	One-bedroom
Parent/s with child under one	One or two bedrooms
Parent/s with child over one	Two bedrooms

### ***Additional Rooms are awarded as follows:***

- Children of opposite sex aged over 7 years should not have to share a bedroom.
- Two Children of the same sex can share a bedroom unless one child is aged over 10 years **and** there is an age gap of 5 years or more.

***Non dependant adults (where eligible - see point below):***

- Cohabiting couples: 1 bedroom
- Non dependant adult (17yrs +): 1 bedroom

***Rooms available for sleeping:***

- A second reception room is considered available for use as a bedroom.
- Box rooms are considered as single bedrooms