

**Decision Maker:** EXECUTIVE

**Date:** For Pre-Decision Scrutiny by the Care Services Policy Development and Scrutiny Committee on Wednesday 4 March 2014

**Decision Type:** Non-Urgent Executive Key

**Title:** ALLOCATIONS SCHEME REVIEW

**Contact Officer:** Sara Bowrey, Assistant Director Housing Needs; Education, Care & Health Services  
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**Chief Officer:** Executive Director of Education, Care & Health Services

**Ward:** (All Wards);

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1. Reason for report

- 1.1 This report provides an update on the review of the allocations scheme in light of the current pressures faced in relation to homelessness and temporary accommodation.
- 1.2 It further sets out the outcomes of the formal consultation and presents the final revisions proposed for consideration and approval. Appendix 1 details the full changes being implemented, both statutory and local. Appendix 2 details the changes that have been consulted upon.

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2. **RECOMMENDATION(S)**

- 2.1 The Care Services Policy, Development and Scrutiny Committee are asked to consider the content, to comment on and agree, subject to any amendments arising from these comments to recommend to Executive to agree the proposed revisions to the allocations scheme.
- 2.2 The Executive is asked to:
- a) Consider the recommendations from the PDS committee
- b) Subject to any agreed amendments to approve the proposed revisions to the allocations scheme to be implemented with effect from July 2015, subject to delivery from the IT systems provider of the required system changes to enable full implementation.

## Corporate Policy

1. Policy Status: Existing Policy The proposed revisions remain in line with the overall aims and objectives of the existing scheme which was approved and implemented in 2011.
  2. BBB Priority: Children and Young People Excellent Council Quality Environment Safer Bromley Supporting Independence
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## Financial

1. Cost of proposal: : IT system amendments have been contained within the existing Housing It systems maintenance budget for the current financial year.
  2. Ongoing costs: : N/A
  3. Budget head/performance centre: Housing Needs – Housing Register and Bromley Homeseekers
  4. Total current budget for this head: £4,576,710 approved controllable budget for operational housing.
  5. Source of funding: Education, Care & Health Services Approved 2014/15 Revenue Budget.
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## Staff

1. Number of staff (current and additional): 2.5 current
  2. If from existing staff resources, number of staff hours: Implementation contained within existing staffing resources
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## Legal

1. Legal Requirement: Statutory Requirement
  2. Call-in: Applicable
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## Customer Impact

1. Estimated number of users/beneficiaries (current and projected): There are currently 3,074 households on the housing register who are deemed as having priority for rehousing in accordance with the current allocation scheme. The Council currently receives an average of 350 new applications to join the housing register each month. It is a combined register; managing both council nominations and social housing transfers. It includes the housing register for Affinity Sutton transfer applications from their stock within the London Borough of Bromley – 11,239 tenants.
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## Ward Councillor Views

1. Have Ward Councillors been asked for comments Not Applicable
2. Summary of Ward Councillor's comments: Members comments have been sought as part of the formal consultation process.

### **3. COMMENTARY**

#### **Background**

- 3.1 The way in which social (and affordable) rented accommodation is allocated is governed by legislation which includes certain rules around who qualifies for housing and prescribed categories of applicants who must be given reasonable preference within all allocations schemes and housing registers.
- 3.2 Bromley's current allocations scheme and housing register went live in December 2011.
- 3.3 The revised scheme included a number of statutory legislative updates, but primarily sought to address the rising number of applicants and the intense administrative burden of maintaining a large housing register. This included the administration of a sizeable number of applicants with insufficient priority to ever receive an offer of social rented housing.
- 3.4 At its peak in July 2011, there were almost 8,000 households on the housing register, around 14 times the number of properties becoming available for letting that year.
- 3.5 This meant that, for the majority of applicants, there was little realistic chance of securing accommodation through the housing register.
- 3.6 By raising the threshold for inclusion the new scheme aimed to better manage expectations and encourage applicants to pursue a variety of other housing options – allowing the scheme to focus on meeting statutory rehousing duties and assisting those in the highest housing need which could not reasonably be resolved through other means. This was supported through the provision of homelessness prevention, housing advice and options to guide and support households to resolve their housing difficulties.

#### **Impact of the current scheme**

- 3.7 Since the launch of the current allocations scheme in December 2011, 17,362 households have applied to be included on the housing register. Of these 6,014 (35%) have qualified for inclusion under the new scheme.
- 3.8 Overall the scheme launched in 2011 has achieved a significant reduction in the numbers on the housing register, enabling a clearer focus on those in greatest need and to whom the Council owes a statutory duty. This has also increased the focus on homelessness prevention with the aim of obviating the need for placement into temporary accommodation for homeless households wherever possible.

#### **Current position**

- 3.9 The current pressures faced in relation to homelessness and the use of temporary accommodation has been regularly reported.
- 3.10 When a household approaches every effort is made to resolve their housing problems and prevent homelessness. If homelessness cannot be prevented the housing options teams will undertake a formal assessment against a number of prescribed criteria to determine whether there is a statutory duty to rehouse a homeless household.
- 3.11 The duty to provide accommodation for accepted households may be discharged by providing a property in the private sector for any households who made a homeless application on or after the 9<sup>th</sup> November 2012, providing the accommodation meets the statutory order regarding suitability of a private rented offer. This details the suitability criteria including location, standards, affordability and length of tenancy. For those who applied before the 9<sup>th</sup> November

2012 the homelessness duty can only be discharged by providing a suitable offer of social housing, unless the applicant expressly accepts an offer of private rented accommodation.

- 3.12 The significant gap between the demand for affordable social and private sector housing and the available supply continues to increase in Bromley.
- 3.13 The demand for, and supply of housing that is affordable have both been severely impacted by the current housing market and welfare reform. This has resulted in increased difficulty in accessing private rented sector accommodation for lower income and benefit dependant households. It has also led to increased homelessness and use of costly forms of temporary accommodation to meet statutory duties.
- 3.14 Demand is mapped against expected future trends and supply levels. Overall this analysis shows a growing statutory demand for accommodation against a decreasing supply both through housing association lettings and access to affordable private rented sector accommodation, particularly in light of welfare reform and rising accommodation charges.
- 3.15 In addition the number of applications for inclusion on the housing register is currently averaging around 335 per month. This is expected to rise as demand continues to be exacerbated, not only by the current homelessness pressures but also the increasing number of tenants affected by welfare reform and in particular the removal of the spare room subsidy.
- 3.16 Without significant increase in the supply of affordable accommodation it is clear that this situation will continue to deteriorate, at least in the short to medium term further increasing the already significant use and cost of temporary accommodation provision
- 3.17 A number of actions are underway to increase supply and maximise the level of homeless prevention including use of payment in lieu monies, refurbishment of vacant Council owned properties and increased incentives to attract private landlords.
- 3.18 As part of this work a review of the current allocations scheme has also been undertaken, leading to a number of proposed revisions to address the current pressures and to ensure full use is being made of the increased flexibility to include local criteria as allowed under Localism.

### **Proposed Revisions and timescale for implementation**

- 3.20 Following reports to Cabinet and PDS in October 2014, the proposed revisions were formerly consulted on with Stakeholders during December 2014.
- 3.21 The consultation generated 135 responses. Overall responses were supportive of the proposed revisions to the allocations scheme, with very few suggested amendments.
- 3.22 The key revisions proposed are listed below.
  - Supporting members of the armed forces (veterans) to secure settled accommodation
  - Increasing the residency criteria for qualification onto the scheme to 5 years
  - Reducing the number of properties applicants can be shortlisted for at a time.
  - Reducing the number of properties applicants can turn down
  - Access to general needs accommodation restricted to those registered for older person's accommodation only.
  - Increasing the flexibility to make direct offers.

- Removal of households with a low priority in respect of overcrowding.

- 3.23 These revisions are designed to provide additional control measures and flexibility within the scheme to manage high cost temporary accommodation placements. They are also designed to effectively manage expectations in terms of other housing options, discharge into the private rented sector, wherever possible including out of borough placements if appropriate, and ensuring best use is made of the limited social stock available to meet local pressures and priorities. Appendix 1 of this report sets a summary of the final proposed revisions in light of the consultation responses Appendix 2 of this report details the consultation feedback.
- 3.24 It is proposed that the revision in respect of overcrowding will be applied immediately and will affect approximately 860 applicants, all of whom will have the right to appeal the decision to remove them from the housing register. All other revisions will be applied to all new applications and those upon change of circumstances. This reflects the most cost effective and speedy process for implementation.
- 3.25 If approved, the allocation scheme document will be formally updated to reflect the revisions and implemented from the 1<sup>st</sup> of July 2015. This will allow time for the IT system changes to be made and for publication of the updated scheme.
- 3.26 It must be noted that the launch date will be dependent upon final sign off of the IT providers system updates.
- 3.27 It is proposed that the portfolio holder is kept advised of the progress in order to approve the final launch date once the IT changes have been tested and signed off.
- 3.28 In line with the duties contained in the Equalities Act 2010, the equalities impact assessment (EIA) of the allocation scheme has been updated during the consultation process to enable any necessary remedial action identified to be incorporated into the final scheme. The EIA will be published alongside the final scheme document.

## Implementation Plan

Date	Action
March 2015	Member approval sought
April 2015	Implement changes to IT  Update allocation scheme and supporting documents
May 2015	Publish scheme changes and notify affected clients.
June 2015	Final testing of IT  Final sign off  Close Housing Register
July 2015	Re-Open Housing Register: Go live

## 4. POLICY IMPLICATIONS

- 4.1 The purpose of the scheme review is to ensure that the scheme operated by the London Borough of Bromley and its partner housing associations is fit for purpose, meeting all statutory

requirements and reflecting local priorities and pressures in order to make best use of all available stock to meet housing need.

4.2 The above revisions fall within the existing scheme principles and statutory requirements in relation to homelessness and housing allocations.

## 5. FINANCIAL IMPLICATIONS

5.1 None arising from this report. The cost of IT system updates are contained within the current approved budget.

## 6. LEGAL IMPLICATIONS

6.1 The Council has a number of statutory obligations in relation to housing allocations. These include having a published criteria and policy which meets the requirements of the legislative framework and complies with current guidance and case law. The policy must detail both the priorities and procedures for operation of the scheme. All proposed changes are considered and approved by Legal Services to ensure compliance with the statutory framework.

6.2 There is also a statutory obligation to consult with RSLs, service users and partners.

6.3 All proposals within this report comply with the Council's statutory duties in relation to homelessness.

<b>Non-Applicable Sections:</b>	Personnel implications
Background Documents: (Access via Contact Officer)	Part VI of the Housing Act 1996 Homelessness Act 2002 Bromley Allocation Scheme (last updated 2011) Allocation of Accommodation Code of Guidance for Local Authorities Allocation of Accommodation; Providing Social Housing for Local People, 2013. Allocation of Accommodation: Choice Based Lettings, Code of Guidance for Local Authorities, 2008 Housing Allocations – Members of the Armed Forces (circular 04/2009), 2009 Fair and Flexible: Statutory Guidance on Social Housing Allocations for Local Authorities in England, 2009 Suitability Order The London Borough of Bromley Homeless Strategy (2012-17)