

HAMBLETON DISTRICT COUNCIL

Report To: Cabinet
11 June 2013

Subject: NORTH YORKSHIRE HOME CHOICE – ALLOCATIONS POLICY REVIEW

**All Wards
Portfolio Holder for Housing, Planning and
Waste Management: Councillor Brian Phillips**

1.0 PURPOSE AND BACKGROUND:

- 1.1 The Council shares a joint housing allocation scheme and policy with a number of Local Authorities and Housing Associations across York and North Yorkshire. This scheme, known as 'North Yorkshire Home Choice' has been operating since June 2011.
- 1.2 The Joseph Rowntree Foundation (JRF) recently undertook an evaluation of the scheme, and in response to that evaluation, a number of local policy changes have been considered by the Partnership. In addition, since Home Choice was first introduced, the Government have made a number of changes to the law and statutory guidance regarding both housing allocations and the way that housing benefit is paid to social housing tenants. Further amendments are thus proposed in response to these wider national policy changes.
- 1.3 This report outlines the consultation process that has led to these proposed changes, explains the changes in full, and recommends that the revised Common Allocations Policy is adopted as corporate policy for Hambleton.
- 1.4 In its role as a Local Housing Authority the Council has a legal duty to have an allocation policy that determines how lettings of social housing within the District are undertaken. It is a requirement under s167(2) of the Housing Act 1996 and the Homelessness Act 2002 that reasonable preference is given to certain categories of applicants, for example people who are homeless, or occupying unsanitary or overcrowded accommodation.
- 1.5 Under the Home Choice scheme, bids for properties are ranked in order of Housing Need (e.g. priority banding); local connection to the partnership area; household size and time waiting on the register. The scheme includes a number of checks and balances. Applicants with a local connection to the partnership area, receive priority over those without, but cross boundary mobility within North Yorkshire is allowed but monitored to ensure that no one area experiences unacceptable levels of net inward migration. In addition, the policy includes a number of provisions to ensure that the needs of vulnerable groups are met, such as support with applications and bidding or automated bidding where required.
- 1.6 JRF was invited by partners to undertake an evaluation of the impact of this new policy during its first year of operation. This evaluation, funded by JRF and undertaken by the University of Birmingham has been completed. The evaluation is extremely comprehensive and has highlighted a number of key issues that require a policy change.
- 1.7 In addition, since Home Choice was first adopted, the law concerning allocations policies has changed. The Localism Act 2012 has given Councils greater freedom and flexibility to adapt local policy to meet local needs. In June 2012, the Government published a new 'Allocation Code of Guidance'. Local Authorities must have due regard to this guidance when framing their policies.

1.8 The new Code enables Housing Authorities to allocate particular accommodation to people whether or not they fall into reasonable preference category, provided the authority is able to demonstrate compliance with duty of reasonable preference. The following groups of people can now be considered for additional preference:

- ◆ Households affected by under occupation
- ◆ Members of armed forces
- ◆ Households in work or seeking work
- ◆ Carers
- ◆ Prospective adopters and fosterers

1.9 Welfare reform changes mean that the way that housing benefit is paid for social housing tenants changed from April 2013. A further policy change is thus being recommended in response to this issue concerning the size of properties that applicants can bid for.

1.10 More detail on these issues is set out in Annex A and the detail of the policy changes along with areas for potential change that have been considered but are not being recommended at this time are set out in Annex B.

2.0 CONSULTATION

2.1 The policy change proposals set out in this report have been worked up by officers on the North Yorkshire Home Choice Partnership following a public consultation on the issues and priorities in Summer 2012. The changes being proposed have been agreed following detailed negotiation between partners, many of whom have differing priorities and local issues. In Hambleton, Housing and Planning Board was kept apprised of these negotiations, and the Portfolio Holder for Housing and Planning was kept up to date with progress.

2.2 The final policy has been subject to an 8 week final consultation, ending early May 2013. Following this, the final policy proposals have been agreed within the Partnership, and are now advanced for approval as corporate policy by the Council.

2.3 The partnership is proposing to bring the new policy into effect as of 1st August 2013

3.0 LINK TO COUNCIL PRIORITIES:

3.1 Addressing the housing needs of District residents is a Council priority, and the Home Choice Policy seeks to achieve this by preventing homelessness, meeting the needs of the most vulnerable and facilitating the optimum use of the District's housing stock.

4.0 RISK ASSESSMENT:

4.1 The only risks are in not approving the recommendation

Risk	Implication	Prob*	Imp*	Total	Preventative action
The Council fails to adopt an up to date Allocations Policy, and is at odds with the policy of Broadacres	The Council is no longer able to work with the Home Choice scheme, resulting in reduced ability to fulfil statutory obligations. The Council will need to adopt its own stand alone scheme of housing allocation	4	4	16	Adopt proposed policy

4.2 Overall the risk of agreeing with the recommendations outweighs the risks of not agreeing them and is considered acceptable

5.0 FINANCIAL IMPLICATIONS:

5.1 There are no financial implications to this policy change

6.0 LEGAL IMPLICATIONS:

6.1 The policy change is proposed in order to comply with revised statutory guidance on housing allocations.

7.0 RECOMMENDATION:

7.1 It is recommended to Council that the revisions to the North Yorkshire Home Choice Allocations Policy shown at Appendix B are adopted.

MICK JEWITT

Background papers: North Yorkshire Home Choice Common Allocation Policy
Allocation of Accommodation: guidance for local housing authorities
in England – CLG June 2012
Evaluation of North Yorkshire Home Choice – University of
Birmingham,2013
<http://www.birmingham.ac.uk/schools/social-policy/research/projects/2012/evaluationnorthyorkshirecbl.aspx>

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AN OVERVIEW OF THE ASSESSMENT AND ANALYSIS OF THE ISSUES

Assessment

Overall, the findings of the JRF evaluation are very positive. The research shows that:

- ◆ There is a favourable perception amongst both applicants and partners to the North Yorkshire scheme, applicants welcome the increased choice.
- ◆ Applicants feel the option to move across local authority boundaries within North Yorkshire and York is advantageous, and applicants who were successfully housed found the new allocations system easy to understand and fair.
- ◆ Applicants find the new system more open and transparent than the old 'points based' systems, and applicants find the system provides more information about properties and lettings and this is useful for helping the process.
- ◆ There is no real evidence that any particular groups are disadvantaged by the system, including the elderly or other potentially vulnerable groups.
- ◆ The web-based system is easy to use.
- ◆ Some groups have benefited from the new system, in particular those needing to move on and out of supported housing schemes (the existing policy gives additional priority to those needing to move on from supported housing as they are placed in Gold Band).

However the evaluation also highlights a number of key issues that are likely to have occurred as a consequence of the new system. These include:

- ◆ A rapid expansion of applicants seeking social housing since Home Choice was introduced. This is having a significant impact in terms of the administration of the scheme.
- ◆ A significant imbalance between the needs of most applicants and their prospects of being allocated housing.
- ◆ An increase in cross boundary mobility (both into the partnership area) and between partner authorities. This impacts on some areas more than others.

A key theme highlighted by the research is that the demand for social housing far outstrips the available supply. Much of this demand comes from households with no recognised need, e.g. those in the Bronze Band. The vast majority of these applicants have in reality little or no chance of receiving a successful allocation of housing. The research shows that;

- ◆ Demand for properties varies widely between the districts. From an average of just 18 bids per property in Craven to 85 bids per property in York. Within Hambleton, on average, 42 applicants have bid for every available property. Demand is particularly high in Thirsk with on average 56 households bidding for every property.
- ◆ When first introduced there were approximately 11,000 applicants on the register across the whole partnership area (around 1300 of these were registered with Broadacres). However as of September 2012, there are over 17,400 'active' applicants on the register (1958 of these are registered with Broadacres/Hambleton).
- ◆ Whilst the number of applicants for housing is growing (and continues to grow) around 60% of these applicants are in Bronze Band with no recognised housing need (e.g. do not fall into any of the reasonable preference categories of need).

- ◆ Locally within the District, 1180 applicants (60.26%) are in Bronze Band.
- ◆ Whilst the number of applicants within Bronze Band is significant, the number of applicants within that band who successfully receive an allocation is very low, for example of the 3376 housing allocations that were made across North Yorkshire during the first 12 months after Home Choice was introduced, only 381 (around 11%) of these were to households registered in Bronze Band.
- ◆ Of the 550 lettings made within Hambleton during the same period, only 51 (around 9.3%) were to applicants from the Bronze Band.

The evidence suggests that the scheme is operating as it is intended to and that the vast majority of homes are being allocated to those applicants in most need of them. However, the growing number of applicants in Bronze Band, who have no recognised need and thus little chance of achieving a successful allocation, is creating a significant administrative burden for the partners who administer the scheme, and it is arguable that the expectations of applicants are being unfairly raised through the more transparent and accessible system that has been introduced.

Nationally, some Councils are using the new flexibilities created by the Localism Act to limit access to their housing registers to any household with no recognised need. In essence they are scrapping their Bronze Band (or equivalent). Within the North Yorkshire context this approach is not being recommended. The Bronze Band does offer landlords the opportunity to let lower demand stock, (for example some older persons housing within Hambleton is lower demand).

However, given the significant increase in the number of applicants it is recommended that new restrictions are placed on certain categories of household including home owners (with no recognised housing need) and households with a joint household income or assets in excess of £50,000. It is also recommended that some additional measures are introduced to ensure that only households who are genuinely seeking accommodation are registered on the scheme.

Historically, many homeowners will have placed their names on the local housing register in order to access social housing at a later date when they may need it (for example on retirement), given the massive pressures on the local housing stock this approach is no longer a realistic option. It is also anticipated and expected that both home owners and high earners generally have the financial means to resolve their own housing needs without recourse to social rented housing.

Homeowners with a proven need, for example those at risk of homelessness due to mortgage debt, or households who may need to move for medical reasons will not be affected by these changes.

Another key issue highlighted by the JRF research is that overall, the level of cross boundary movement into the partnership area and between partner authorities has increased since CBL was introduced. The research shows that:

- ◆ In 2011/12, 10% of all lettings were to households who had moved from within the partnership area (e.g. between partner authorities) as compared to 6% in 2010/11.

- ◆ In 2011/12, 6% of all lettings were to households with an existing postal address outside of the partnership area (as compared to 2%, 2010/11). However, this figure does not reflect the overall / net-migration position as we have no way of counting outward migration from within the partnership area. In addition around half of these households, though living out of the partnership area had some other connection to it (e.g. needing to move for employment, or have a close family relative already resident etc).
- ◆ There is also inequitable cross boundary movement between some partner authority areas, with the highest demand areas being net exporters of applicants and the lower demand areas being net 'importers' from these areas. In Hambleton the evidence suggests 'exports' are matched fairly evenly with our 'imports', with most people taking the opportunity to move between Hambleton and Richmondshire. Broadacres report the number of applicants migrating in from Tees Valley is reduced over previous years.

However, this whole issue of cross boundary migration is a highly sensitive issue for some partner Councils, with a common fear being expressed that the Home Choice policy has enabled applicants with no local connection to an area to take homes from 'local people'. Whilst the JRF research does show that cross boundary movement within and into the partnership area remains low overall, there is a strong push from a number of partners to build additional safeguards into the policy to restrict cross boundary movement.

In response to this issue a number of changes are proposed, including a restriction on eligibility to join the register to households without any local connection to the partnership area and the use of section 106 type local connection rules to restrict lettings for rural settlements.

In addition to these, further change is being recommended in response to national Welfare Reforms. Members will be aware of a variety of welfare reform changes that impact on the way that housing benefit will be paid in future years. These changes, in particular the 'bedroom tax' have big implications for social landlords and working age social housing tenants. The changes mean that tenants will only be paid a level of housing benefit for the size of property they are deemed to need. Historically social housing tenants have been able to claim benefit for homes bigger than their household requirements. A restriction is thus being recommended to ensure that the allocation policy rules are aligned with housing benefit eligibility and those applicants are only allocated the size of home they actually need.

A number of other fairly minor changes are proposed to the policy, including a tightening of the rules regarding applicants who deliberately worsen their own circumstances and applicants who falsify their applications. A further change is recommended to the 'Good Neighbour' scheme.

Annex B - Overview of proposed changes to Home Choice policy

Proposed Change	Why needed	Likely Impact	Who it affects
<p>Applicants shall only be entitled to bid for properties of a size they need.</p> <p>Current policy, though it prioritises on the basis of best use of stock via a bedroom size tie-breaker, allows applicants to bid for properties larger than they may actually need (e.g. a family with 1 child bidding for and being allocated a 3 bed house).</p> <p><i>NB. Whilst this shall be the norm landlords reserve the right to introduce local lettings agreements to vary from this position where needed.</i></p>	<p>Change needs to be introduced in response to Welfare Reform.</p> <p>The introduction of the 'bedroom tax' means that tenants will only be paid housing benefit for the size property they need.</p> <p>The purpose of this change is to ensure that the available housing stock best meets local need and is affordable to applicants.</p> <p>This proposal aligns allocations policy to the new benefit entitlement rules for social housing tenants.</p>	<p>High – this change has a significant impact for all applicants.</p>	<p>All applicants are currently entitled to bid for properties bigger than they need.</p> <p>This change is being recommended to align the allocation policy to welfare reform changes.</p> <p>Households with a demonstrable need for an extra room (e.g. those with carers or prospective fosterer carers) shall not be affected by this change.</p>

Proposed Change	Why needed	Likely Impact	Who it affects
<p>Home Owners, unless they have a proven need (e.g. fall into the Gold or Silver Bandings within the policy) should no longer be eligible to join the housing register.</p> <p>Current policy allows all homeowners to register regardless of whether they have a recognised housing need. Changes via Localism Act now give LAs flexibility to restrict access to register.</p>	<p>Being proposed in response to findings of JRF evaluation.</p> <p>Purpose is to reduce the number of applicants on Bronze Band (with no immediate housing need and who have little prospect of being re-housed).</p>	<p>High in terms of numbers affected on the register though low in terms of actual numbers receiving an allocation of accommodation</p>	<p>Home Owners with no need shall be affected by this change.</p> <p>It is estimated that there are xxxx homeowners in Bronze band within Hambleton. These households shall no longer be entitled to join the scheme.</p>
<p>An income level cap is adopted. Applicants with a combined annual household income and/or savings of £60,000 or above and those with significant capital or assets will not normally qualify to join the scheme (this does not apply to ex service personnel).</p> <p>Current policy allows anyone to register on scheme regardless of their income.</p>	<p>Purpose is to deter high earners (who have the financial means to find their own solution) from applying for social housing. Also intended to reduce the number of applicants on Bronze Band (with no immediate housing need).</p> <p>Change brings allocation policy into line with charitable status rules for RSLs (including Broadacres).</p>	<p>Low</p>	<p>Households with a joint household income and/or savings of £60,000 or above and those with significant capital or assets</p> <p>We currently have no data on the numbers of households this affects, however it is anticipated that the number will be low.</p>

Proposed Change	Why needed	Likely Impact	Who it affects
<p>That people with no “local connection” to the partnership area should not be able to register on the waiting list with the exception of Military Personnel and those owed a duty under homelessness legislation (e.g. those fleeing domestic violence).</p> <p>Current policy allows for applicants with no local connection to the partnership area to register on Home Choice but gives them lesser priority.</p>	<p>The JRF evaluation has shown that, whilst cross boundary movement is low, there has been a growth in the number of households with no connection to the partnership area being allocated social housing since Home Choice was introduced</p> <p><i>(NB this has not been an issue for Hambleton or Broadacres however is a key issue for some authorities).</i></p> <p>The purpose of this change is to target accommodation towards those with a local connection and to reduce administration time associated with maintaining the register.</p>	<p>High in terms of numbers affected on the register though Low in terms of actual numbers receiving an allocation of housing</p>	<p>Recent figures show there are 2565 applicants with no local connection to the partnership area registered on the scheme.</p> <p>This change means that these applicants shall no-longer be eligible.</p>

Proposed Change	Why needed	Likely Impact	Who it affects
<p>To restrict bids for homes in rural settlements in line with section 106 planning criteria.</p> <p>NB. This flexibility can be used at the discretion of the landlord.</p> <p>Current policy allows for households with no local connection to a rural parish to bid for property in certain circumstances (e.g. where no 106 agreement is in place).</p> <p>Rural communities are defined as settlements with a population under 3000 and are listed by name Statutory Instrument Housing, England 2009 No 2098.</p>	<p>The JRF evaluation has shown that some rural areas are experiencing a disproportionate level of inward migration from the more urban areas.</p> <p>The purpose of this change is to ensure that those in housing need in isolated rural areas can be met in order to retain rural communities and viability.</p>	<p>Medium.</p>	<p>Applicants seeking accommodation in rural areas.</p> <p>It is proposed to allow Broadacres and other RSLs to use this change at their discretion.</p> <p>Meeting local need has to be balanced against the RSLs need to effectively manage their stock (e.g. they cannot incur voids or delays in the lettings process).</p> <p>Some of the older persons stock for example in some rural areas would be extremely difficult to let if strict local connection rules were imposed.</p> <p>Decisions on whether to enforce 'local connection' criteria in rural areas will thus need to be based on the level of local housing need/demand in that area.</p>

Proposed Change	Why needed	Likely Impact	Who it affects
<p>That there should be a disqualification (exclusion) from the waiting list of 12 months for those who deliberately worsen their circumstances.</p>	<p>Current policy does not adequately address this issue. Applicants who deliberately worsen their own circumstances, under current policy are entitled to register (but are given lower priority).</p>	<p>Low – administrative change that will impact on a very small number of applicants.</p>	<p>Households who deliberately worsen their own circumstances to increase the level of priority given on the register.</p>
<p>That where an applicant has significantly falsified their application they should be disqualified (excluded) for 12 months.</p>	<p>At present applicants who provide false information are removed from the register) but can re-apply immediately which does not discourage blatant deception.</p>	<p>Low – administrative change that will impact on a very small number of applicants</p>	<p>Applicants who deliberately falsify their applications.</p>
<p>That ‘Good Neighbour’ should be re-branded ‘Good Tenant’. It is proposed that tenants are not automatically awarded Gold Band priority but awarded one band above their actual need (maximum gold band).</p> <p>Current policy gives existing tenants seeking a transfer who are classed as being ‘Good Neighbours’, Gold Banding under the scheme.</p>	<p>Currently social housing tenants seeking a transfer and who are deemed to be ‘good neighbours’ are Gold Band status.</p> <p>Whilst it is good practice to assist ‘good tenants’ to move there were some concerns that some of those that did so had no housing need, were leaving a less desirable areas creating voids and polarised communities. The proposal is therefore to give ‘good tenants’ one band above their actual need.</p>	<p>Medium</p>	<p>Existing tenants seeking a transfer who are classed as being ‘Good Neighbours’ under the scheme.</p> <p>There are 38 existing social housing tenants in Hambleton that have been awarded ‘Good Neighbour’ status that may be affected by this change.</p>

Potential Change	Why Not Being Proposed	Impact	Who it Affects
<p>Adopters and fosterers are be given additional preference.</p> <p>Where a household is approved by the social services department as being a Foster Carer and thus needs larger accommodation as a result, they shall be awarded Silver Band Priority</p>	<p>This is being proposed in accordance with Localism Act as is intended to ensure that those people wishing to foster or adopt children are not prevented from doing so because of inadequate accommodation.</p>	<p>Low - No accurate figures are available but anecdotally this change is expected to have a minor impact.</p>	<p>Households wishing to adopt or foster children but who are restricted from doing so due to the size of their homes.</p>
<p>Additional preference given to service personnel</p> <p>There will be a backdate of their application by six months</p>	<p>To accord within the Localism Act whilst minimising the negative impact on the ability of local people to access social housing.</p>	<p>Low</p>	<p>Service personnel who will gain additional preference</p> <p>Local people since there will be an impact (albeit minimised) on their ability to access social housing</p>
<p>There should be <u>no</u> additional preference given to households either in or seeking work.</p> <p>The Localism Act allows Councils to give additional priority to those in employment or seeking work (e.g. a shift away from a system that allocates on the basis of need)</p> <p>Some Local Authorities are giving additional priority for hard working families as a means to reward employment and discourage welfare dependency.</p>	<p>Given the massive levels of demand for social housing across the partnership areas there is no appetite amongst partner Councils or Housing Associations to vary from a 'needs based' approach to the allocation of social housing.</p> <p>Councils and RSLs do however have the ability to try and create 'mixed' or 'sustainable' communities through the use of Local Lettings Agreements, typically used on new developments or in areas where the demographic profile is imbalanced.</p>	<p>N/a</p>	<p>N/a</p>