

Cabinet

27 September 2017



Title	Spelthorne Housing Allocation Policy		
Purpose of the report	To make a Key Decision		
Report Author	Karen Sinclair, Joint Group Head, Community Wellbeing Jayne Brownlow, Deputy Group Head, Community Wellbeing		
Cabinet Member	Councillor Mark Francis	Confidential	No
Corporate Priority	Housing		
Recommendations	<p>Cabinet is asked to approve:</p> <ul style="list-style-type: none">• The proposed updated Spelthorne Housing Allocation Policy which reflects a number of changes to the allocation of social housing in the borough. These changes are summarised in Appendix 2 to this report.• That the Portfolio Holder in conjunction with the joint Group Heads be given authority to approve amendments to the policy due to the forthcoming changes in legislation/case law and the changing needs of the community• The Equality Analysis for the policy detailed in Appendix 4.		
Reason for Recommendation	<ul style="list-style-type: none">• The Search Moves partnership term has ended giving the opportunity to appraise the existing arrangement. A more flexible approach to the partnership has been agreed to allow partners the ability to be more reactive to local pressures.• Major changes include the stopping of cross partner letting and a change to the way we treat Social Housing transfer tenants. Due to the nature of the changes, we have been required to adopt an independent Allocations Policy (see Appendix 1) which takes into account the local housing situation and legislative and case-law changes.• To take account of the responses to the consultation exercise, the Equality Analysis and the proposed amendments to the Allocation Policy.		

1. Key issues

- 1.1 All local housing authorities are required under the Housing Act 1996 (part 6) to have a Housing Allocations Policy in place that shows how they prioritise applications for social housing and the procedures to be followed in allocating those homes.
- 1.2 Transparency in this process is particularly important as demand for social housing units in Spelthorne far exceeds supply with 1,976 live households currently on the current housing register (Aug 17). Only 239 social housing units were made available for allocation in 2016/17
- 1.3 Since 2008, Spelthorne has managed its housing register applications and lettings through the Search Moves partnership, a Choice Based Lettings (CBL) scheme¹ run in partnership with Elmbridge Borough Council and the major housing associations in each borough (A2 Dominion and PA Housing). Up to now, partners have shared a fully common Housing Allocations policy.
- 1.4 The existing Search Moves partnership legal agreement expired in July 2017. Prior to this, a review was conducted on the current provision and the options available going forward. The outcome concluded that the partnership CBL arrangement should continue but on different terms. In order to move to new arrangements as soon as possible, partners agreed to only make essential changes at this stage.

Key changes

- 1.5 A key finding of the review was that the complex nature of the current Common Allocation Policy has made it difficult for partners to quickly and easily adapt to the changing local need. To address this, partners agreed to adopt separate Allocation Policies to ensure effective use of the limited nominations available. Assessments from now on will be made in reference to Spelthorne Borough only, with all future lettings to Spelthorne properties to be made only to those on Spelthorne's housing register.
- 1.6 Integral to adopting separate Allocation Policies is the need to cease the current cross boundary allocation arrangements as this depends on a common approach to housing allocation. The decision was based on the fact that in 2016 only 7% of lettings across the partnership (14 households) resulted in inter borough movement.
- 1.7 Currently, existing social housing tenants who wish to transfer to another property apply through their own housing association but are assessed under the Search Moves scheme alongside all other applicants. In order to give fairer access to social housing vacancies for those who are not already social housing tenants, it is proposed that the Council adopt reduced priority for most 'Transfer' tenants. This seeks to avoid duplication of options to transfer tenants (who may achieve a transfer via their landlord or mutual Exchange.)
- 1.8 Since the current Allocation Policy (Version 12 - Nov 2015) was adopted, some legislative changes and case law decisions mean that amendments were

¹ In CBL schemes applicants have active choice in what housing may be allocated to them. There is not a legal requirement to allocate properties via CBL schemes. Three quarters of English local authorities operate Choice Based Lettings (CBL) schemes. CBL schemes are generally deemed to provide transparency with regard to housing stock available and lettings processes.

required to the Policy. Counsel's opinion has been sought on the draft policy to ensure compliance with legislation. These changes include:

- Currently 10% of advertised properties are prioritised for working households. As a result of recent case law, changes have been made to the policy to ensure possible exceptions to 'Worker' status can be considered within the scheme to avoid discrimination and allow consideration of other community contributions. This is likely to affect small numbers of applicants who are not able to work but make another valuable community contribution.
 - The policy also now includes an amendment to the qualification criteria to ensure that applicants who have an identified housing need preference are not excluded from the register. It is estimated that this will likely mean an additional 5% of applicants will now qualify.
 - There is also provision included in the policy for reduced priority to be given to reasonable preference cases without a local connection to Spelthorne over those with a local connection. This includes those who would otherwise fail qualification criteria. Changes to the assessment process will need to be built in to include this provision if agreed.
- 1.9 The main focus of a Councils Allocation Policy will always be to determine how long term housing resources will be prioritised, however there is increasingly an overlap with the Council's homelessness responsibilities. A key driver for Spelthorne adopting a separate Allocation Policy will be to ensure that our specific homelessness pressures and costs can be effectively managed.

Consultation on the proposed Allocations Policy

- 1.10 Spelthorne, along with other local authorities is required by law to consult with providers of social housing in its area prior to making changes to its housing allocations policy. It was considered important to extend the consultation to those currently on the housing register and to local residents, along with a range of voluntary and community organisations operating in the borough.
- 1.11 The consultation process ran for 6 weeks from 22 May to 30 June 2017, taking the form of a questionnaire. The responses have been analysed and were taken into account before finalising the draft policy
- 1.12 Response was reasonable, with 65 replies received. Of these, 98% of responses were from households and 2% from named organisations. 42% identified that they had an existing housing application with the Search Moves Scheme and 55% did not, with 3% not knowing. This reflected a good variety of responses across the borough and in general endorse the proposed Allocations Policy.
- 1.13 71% of all respondents agreed with the proposal to cease cross partner lettings whilst 69% agreed with the proposal to reduce the priority of social housing tenants when applying for a transfer through Spelthorne Council. No significant negative responses were recorded to require changes to be made to planned proposals.
- 1.14 Fourteen comments were made including 2 responders whom expressed support for priority to be given to those in work who are considered to be "net contributors", over those who they considered to be dependent on benefit and not working. Two responders felt that more consideration should be given to long term privately renting applicants without the worry of being evicted. One

responder said that Homeseekers (those applicants not currently residing in a social housing property) should get priority over transfer tenants and four responders mentioned the fairness of the CBL system, but one said that everyone should have a fair chance, whether a Registered Social Landlord (RSL) tenant or not.

1.15 The consultation also endorsed the proposal that priority should be given to those applicants who live within the Spelthorne Borough.

2. Options analysis and proposal

2.1 In view of the consensus between Search Moves partners of the benefits of adopting independent Allocation Policies and ceasing cross partner lettings, it is highly unlikely, even if preferred, that the option to retain the status quo would be available. The Search Moves partnership will continue to operate and the benefits of ongoing joint working continue to be realised.

2.2 It is not considered feasible to defer the proposed changes in order to consolidate with upcoming changes associated with the Homelessness Reduction Bill. The changes to the current Search Moves partnership and Allocations Policy need to be implemented in advance to enable Spelthorne the independence to react to local changes required of the new legislation

2.3 A new policy would be at risk of legal challenge if current legislative and case law developments were not considered as part of the updated policy. These requirements have been taken into account in the proposed changes and ratified by Counsel.

2.4 It is proposed that the new Allocation Policy be adopted. The changes can be incorporated into Spelthorne procedures and the IT system changes made with a go live date within about 5 months.

3. Financial implications

3.1 The main costs associated with adopting separate Allocation Policies relate to the commissioning of software changes and enhancements to allow for the assessment of applicants under the new policy. Due to changes to the partnership arrangements, the majority of these costs have been incurred for changes to the Search Moves software.

3.2 Summary costs are detailed in the table below

Item	Cost (£)
Locata software changes relating to Allocation Policy	5,100
Locata new enhancements to the system	8,200
Consultation on the Allocation Policy changes	1,500
Counsel opinion on the proposed Allocation Policy changes	5,100
TOTAL	19,900

3.3 The costs for this work will be funded from within Community Wellbeing budgets.

4. Other considerations

- 4.1 Search Moves as a partnership will continue to operate a common CBL scheme and retain the benefits of the partnership brand, website and bidding process which is widely known by clients. Other benefits include the shared operational costs of the register and housing Allocation management software.
- 4.2 The Housing Allocation Policy can be legally challenged and once the cross boundary element of the arrangements were agreed in principle in May 2017, a housing barrister was instructed to ensure the policy is legally compliant and less open to legal challenge
- 4.3 An Equality Analysis on the proposed policy has been undertaken. This takes into account the feedback from the consultation process, counsel's advice and recent case law. Broadly the consultation sought views on whether any of the proposed changes would have a negative impact on and particular group of people due to e.g. age, gender, disability, race, relationships status, religion, sexuality and pregnancy and maternity. 28% of respondents answered yes, 57% no and 15% did not know. The Equality Analysis has been reviewed by the Council's Equality and Diversity specialist advisor who considers it to be of high quality and legally compliant.
- 4.4 If agreed, changes to the new Allocation Policy will be implemented through changes to the Housing Register application form and the assessment process. In order to achieve this all applicants will be required to re-register and their circumstances be considered against the new policy.
- 4.5 There will be an appeal process with a realistic timeline for all applicants affected by the policy which will be identified in the letters sent to them .Staff will be made fully aware of changes and managers will be monitoring the amount of complaints received.
- 4.6 Due to a diminishing role in Search Moves, A2Dominion have given notice that they intend to leave the legal arrangement. They will continue to be key partners of Spelthorne's and retain member status with Search Moves.

5. Timetable for implementation

Following on from agreement of the new policy a communication plan will be devised and all those affected by the changes will be individually notified .A suggested timeline is detailed below.

Item	Completed by
Agree Spelthorne Allocation policy	Sept 17
Locata new enhancements to the system	Nov 17
Re-registration of applicants against the new policy to the Housing register	Dec 17
Fully implemented Housing Allocation Policy	Jan 18

Background papers:

None

Appendices:

- Appendix 1 - The proposed Spelthorne Housing Allocation Policy
- Appendix 2 - Single Allocation Policy Summary of proposed changes
- Appendix 3 - Results of the public consultation
- Appendix 4 - Draft Equality Analysis