
COMPASS – CHANGES TO THE COMMON HOUSING ALLOCATION POLICY

**Responsible Cabinet Member - Councillor Veronica Copeland,
Adult Social Care and Housing Portfolio**

Responsible Director - Richard Alty, Director of Place

SUMMARY REPORT

Purpose of the Report

1. The purpose of the report is to request endorsement of the Council's amended Housing Allocations Policy. The policy is a statutory requirement and it provides the framework for allocations of social housing in Darlington, as well as other Tees Valley authorities, and larger stock holding registered providers in the area who also participate in the sub regional Choice Based Lettings Scheme known as Compass.

Summary

2. All Housing Authorities are required to have an allocations scheme for prioritising applicants for housing accommodation. Since 2009 Darlington Borough Council has been a member of the Compass Partnership which comprises of all Tees Valley local authorities and the majority of Registered Providers. As a result of changes in the Localism Act 2011 and the Welfare Reform Act 2012 it is necessary to review the Common Allocations Policy across Compass partners in addition to our own local policy.
3. In recent months Compass partners have reviewed and consulted on proposed changes to the current policy. The key changes are that we adopt an eligibility criteria which recognises affordability issues as a result of Housing Benefit changes and that priority is given to applicants in low paid work or who are prospective adopters as foster carers. It is also proposed that there is greater flexibility on the type of properties families can bid for and that applicants are restricted to only one offer of accommodation without incurring penalties.

Recommendation

4. It is recommended that Cabinet approve the following proposed changes:-
 - (a) Applicants with high rent arrears and serious anti social behaviour be ineligible to apply for 12 months.
 - (b) That additional priority be awarded to tenants of Compass partners to help them move to more affordable accommodation
 - (c) That Compass Policy reflects the Housing Benefit guidance in determining the bedroom requirements of an applicant
 - (d) That priority be afforded to applicants with affordability issues.
 - (e) That preference be given to applicants in low paid work, above other households not in work with similar housing needs
 - (f) That preference be given to households that are prospective adopters, foster carers or special guardians.
 - (g) That a one reasonable offer policy be introduced.
 - (h) That where there is evidence that applicants have worsened their own circumstances their priority should be reduced
 - (i) That families are allowed to bid on both houses and flats as specified by the advert.

Reasons

5. The recommendations are supported by the following reasons
 - (a) Adoption of the revised Policy is recommended in order :-
 - (b) to enable the Council to meet its commitments in respect of the existing scheme;
 - (c) to ensure that the policy is harmonised with statute and guidance that has emerged since the original policy was developed;
 - (d) to ensure that the policy operation assists the Council in mitigating the impact of welfare reform;
 - (e) to ensure that the policy is reflective of stakeholder feedback provided during the consultation process.

Richard Alty
Director of Place

Background Papers

Localism Act 2011
Housing Strategy
Welfare Reform Act 2012
Current Compass Choice Based Letting Scheme
Proposed Compass Choice – Based Letting Scheme
Consultation Responses

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|---------------------------------|---|
| S17 Crime and Disorder | Settled accommodation helps to prevent offending or reoffending. |
| Health and Well Being | Settled and appropriate accommodation plays a key role for applicants health and well being |
| Carbon Impact | The strategy does not deal directly with Carbon Impact. |
| Diversity | The Common Allocations Policy has been the subject of a Equalities Impact Assessment |
| Wards Affected | All wards |
| Groups Affected | A wide range of groups with housing needs |
| Budget and Policy Framework | The Common Allocations Policy is not one that forms part of the Council's Policy Framework as set out in the Constitution and therefore this report does not represent a change to the framework. |
| Key Decision | No |
| Urgent Decision | No |
| One Darlington Perfectly Placed | The Common Allocations Policy supports the vision and outcomes of the One Darlington Perfectly Placed by seeking to make sure that those that have a housing need have access to affordable, decent housing that meets their needs and contributes to sustainable communities . |
| Efficiency | By reducing the number of offers an applicant can receive there will be a reduction in letting time . |

MAIN REPORT

Information and Analysis

6. In accordance with the requirements of Part 6, Housing Act 1996, housing authorities must have an allocations scheme for determining priorities. The scheme, or policy, must include all aspects of the allocations process, and inform procedures to be followed when allocating housing accommodation. In framing their scheme or policy, housing authorities are expected to have regard to statutes, strategies and policies that are likely to have a significant degree of influence on the policy operation, such as Welfare Reform Act 2012, Localism Act 2011 and strategic tenancy policies.
7. In 2009 a sub regional Choice Based Lettings (CBL) scheme, and common housing allocations policy, shared by partners was introduced. The principles of choice based lettings are that specific properties are advertised and applicants to the scheme are able to choose and 'bid' for a vacant property in the areas in which they wish to live. The CBL approach is acknowledged to generally yield higher

rates of settlement in social housing, and it thus contributes to sustainable communities. Partners in the scheme, which is collectively named Compass, include Darlington Borough Council, all other Tees Valley local authorities, the main stock transfer housing partners, and larger registered providers in the area.

8. The enactment of the Welfare Reform Act 2012 and Localism Act 2011, and the revised Allocations of Accommodation Code of Guidance (July 2012), triggered the need for a review of the current Compass policy to ensure it is fit for purpose, and attuned with forthcoming changes in other policy areas.
9. The review took into account guidance on newer policy areas, as well as views that were submitted in a collective response to the Government's social housing and welfare reform consultation by stakeholders throughout Tees Valley, including housing applicants, tenants, housing and support services staff, and other relevant agencies. Following the review, a number of draft amendments were made, and these were then consulted on with a wide range of stakeholders by each partner. Responses were received from 1132 individuals including 233 from Darlington.
10. The consultation feedback has been considered by the Compass Steering Group, which features representative officers from all partners, and where appropriate, the stakeholder feedback has been incorporated into the amended policy. The areas which it is now proposed to change in the allocations policy are detailed in paragraphs 12-23 below, along with the rationale for the amendment, and the decision of the Compass partnership Steering Group that was reached following consideration of feedback.

Eligibility to join the Housing Register

11. Previously, the 'unacceptable behaviour test' within the Housing Act 1996 was used to assess eligibility of an applicant to join the housing register of the Compass CBL scheme. This was repealed by the Localism Act, and housing authorities were given flexibility to determine who qualifies to join the scheme. Stakeholders were thus asked to identify the types of behaviour that should disqualify an applicant. The majority of responses indicated that stakeholders identified high level rent arrears and a range of serious and defined anti-social behaviour as compelling reasons for disqualification. The Compass partners agree with this and have further clarified the period of ineligibility, i.e. not being able to join the register, is limited to 12 months. This will allow an applicant an opportunity to rectify the issue that has previously prevented qualification, and to reapply. The partners intend to provide clear guidance to applicants, support services and frontline assessing officers to minimise inconsistent interpretation of the policy.

Under occupation of Compass partner accommodation

12. Due to housing benefit changes, people of working age with extra bedrooms will be subject to reduced entitlement levels, thus a contribution will need to be made by them for additional unoccupied bedrooms. In Tees Valley, Department Working Pensions (DWP) information shows the impact to be a 14% benefit reduction for those under-occupying by one bedroom, and 25% reduction if they are under-occupying by two or more bedrooms. Stakeholders agreed that tenants of

Compass partners should be given additional priority on the scheme to help them to move to more appropriately sized and thus more affordable properties. A majority (53%) of the stakeholders responding, as well as the Compass partners, supported this proposed amendment.

Under occupation of non-Compass partner accommodation

13. For the reasons described at paragraph 12 above, stakeholders were also asked if tenants of non-Compass partners should be awarded additional priority. The response indicated 54% of respondents were against this policy change. The Compass partners, upon discussion, concurred that no change to the policy to include non-Compass tenants was needed, as it was necessary to prioritise partner tenants.

Alignment of bedroom requirements with changes to benefit entitlement

14. The Compass Policy currently uses the Housing Act 1985 'bedroom standard' to determine whether an applicant is overcrowded or not, and the review highlighted that this should be replaced with DWP regulations on who and how many different household members may share a single room. It is a slightly more generous entitlement, and will ensure hardship issues are not created when assessing the amount of bedrooms an applicant needs. 70% of stakeholders and the Compass partners support this proposed amendment to the policy.

Awarding priority to people with general affordability issues

15. As a result of changes to benefits entitlements, or other hardship factors such as reduced income, it is widely anticipated householders may struggle to afford to pay for their current accommodation. Stakeholders were asked if they considered it would be appropriate to give such households priority in the allocations scheme. There was a largely positive response (65%) to this, and the Compass partners also agreed to the proposed change.

Giving preference on the scheme to households in low-paid work

16. Current housing and welfare policies are aligned with encouraging households to work. It is recognised that there has been a long standing issue of residualisation of worklessness and benefit dependency in social housing. Stakeholders were asked whether they supported the principle of giving preference to households in low paid work, above other households not in work with similar housing needs. The majority (74%) of respondents in the consultation were supportive of this principle. The Compass partners agreed it was necessary to harmonise the allocations policy with broader Government policy and statute to help working applicant households gain housing, as well as encouraging non-working households to seek work. In practice this would mean, for example, that where two applicants in the same band were bidding for a property and one was employed the offer would be prioritised to the applicant in employment. It is considered that this could help tackle some of the negative consequences and hardship issues caused by Welfare Reforms, and reduce the concentration of worklessness in social housing.

Giving preference on the scheme to households doing voluntary or community work

17. The most recent Allocations Code of Guidance suggested local authorities may wish to award some preference to voluntary and community sector (VCS) workers who make a positive contribution to their community. Stakeholders were asked whether they agreed with this. A mixed response was received and around half (52%) supported preference to voluntary or community sector workers in the allocations scheme, but commented that it would be difficult to quantify the value of VCS work and apply this consistently and fairly within the policy operation. For this reason, Compass partners do not support a change to the policy.

Giving preference on the scheme to households who are prospective adopters, foster carers or special guardians

18. In view of the wider benefits that can be yielded for local authorities, allocations guidance proposed that authorities use their allocations schemes flexibly to assist households who have commenced the process of adopting, fostering or becoming a guardian. Stakeholders were largely supportive (64%) of amending the policy to enable preference to be given to prospective carer households, and the Compass partners also support this amendment as it is accepted that this can increase opportunities for adoption or foster caring, and reduce costs associated with Looked After Children. It is acknowledged that there is a risk of deliberately under occupying properties until carer processes are completed, which can lead to affordability issues. Provisions have been made, however, in recent DWP guidance on the use of Discretionary Housing Payments (administered by authorities) to meet any rent shortfalls in special circumstances such as these.

One Offer Policy

19. The current policy allows that three reasonable offers of accommodation can be made and refused before an applicant's priority banding will be removed. As part of the review, Compass partners felt there was a need to increase the overall efficiency of the lettings system. Social housing is a limited welfare resource and increasingly under pressure from high demand, loss of stock through right to buy, and redundancies in the public sector. In Darlington in the period April to June 2012 there were 160 refusals despite the applicant bidding for that particular property. Almost half of all refused properties are due to applicants disliking the area in which they have actively bid for a property. Around 64% of stakeholders were not in favour of the one offer policy; however, Compass partners felt it was incumbent upon them to reduce waste in the current system. This is also supported by the fact that applicants, including those who are vulnerable, are well supported through the scheme to make informed choices on where they want to live and that there is a right of appeal which allows applicants to make representation and request further offers be made to them. These provisions, and the policy change, will be well publicised to applicants.

Reducing priority of applicants who have worsened their own circumstances

20. In light of demand pressures on social housing, it was also identified that there was a need to tackle households who intentionally worsen their own circumstances to gain a higher priority on the scheme. The majority of respondents consulted with were in favour of this measure (77%), and the Compass partners agreed that where there is such evidence, the priority should be reduced, and the policy be amended accordingly. In practice this would mean, for example, that someone in Band 2 would move to Band 4.

Allowing families to bid on any property type

21. Due to demand issues, and a shortage of family houses across Tees Valley, it was proposed that families are allowed to bid on any property type which meets their bedroom requirements, including flats. Stakeholders were overwhelmingly supportive of this amendment (81%). Compass partners also wish to ensure the scheme remains flexible in meeting housing needs of Tees Valley residents and thus support this amendment. Within Darlington there are 256 two bedroom flats that have the potential to be advertised as being suitable for families. (Two children regardless of sex under the age of 10 or any two children of the same sex under age 16, or a single child).

22. It is recognised that accommodating children in flats has the potential to cause an increase in tenancy management issues for noise related matters. This was also a concern raised by Security on 6 November 2012, therefore as each vacancy occurs Housing Management will need to consider the following, does the flat have its own entrance or is it shared, the age of the other residents, does it have a shared garden, whether the flat is linked to Lifeline and then make a decision about how it should be advertised and its suitability for family living.

Equality Impact Assessment

23. An assessment was completed in respect of the impact of the Compass Allocations Policy, attached at **Appendix 1**. It is considered that :-

- (a) a positive impact would be engendered by implementation of the amended policy;
- (b) this would better enable equality of opportunity, a more consistent and improved application of the policy, by aligning it with statute, other policy areas and guidance; and
- (c) the preferences expressed by stakeholders and the Compass partners in the consultation process have been fully considered and incorporated where possible into the amended policy.

Legal Implications

24. Adoption of the Policy would enable the Council to meet new and existing legislative requirements in respect of allocations policies. Part 6 Housing Act 1996 requires housing authorities to have an allocation scheme for determining priorities

Outcome of Consultation

25. A consultation exercise was conducted across all of the Compass partners in the summer, from within Darlington and responses received from 233 individuals.
26. The consultation outcomes have been considered and incorporated where possible in the amended policy.
27. The Tenant Board on 17 October received the draft policy and accepted it unanimously. Adult and Housing Scrutiny were also presented with the revised Common Allocations Policy at their meeting on the 6 November 2012 and, whilst supportive of the overall proposals, were concerned about the proposals to allow families to bid on any property which met their bedroom requirements, including flats. However, Members were reassured that discretion would be applied through our local Lettings Policy.