

Environment and Services Scrutiny Committee - 18 November 2013

Providing Social Housing for Local People Strengthening Statutory Guidance on Social Housing Allocations Consultation

Discussion Document to Formulate Response from Shropshire Council

Background

The Localism Act 2011 introduced a number of flexibilities and freedoms for local authorities (LA's) with respect to the allocation of social housing, to determine who qualifies for social housing in their area, and to make best use of social housing stock.

LA's are required by law to publish a Housing Allocations Scheme which sets out relative priority for rehousing and the procedures to be followed in the allocation of housing. These procedures must include a policy statement with respect to the degree of choice of accommodation to be given (choice based lettings) and the ability to express a degree of preference for the type and locality of accommodation.

LA's are still required to ensure 'reasonable preference' is given to people who are homeless (within the meaning of the Homelessness regulations); are owed a duty under the homelessness regulations; occupy insanitary or overcrowded accommodation; and who need to move on medical or welfare grounds, or grounds of hardship.

However, under Localism Act, when considering relative priority for rehousing, LA's are enabled also to take account of: the financial resources households have available to meet their housing needs; the behaviour of a person or member of their household which affects suitability to be a tenant; and local connection. LA's are also enabled to target allocation of accommodation to certain types of applications or 'types' of applicants whether or not they fall within the 'reasonable preference' groups.

Protecting and Enhancing the Environment (PEE) Scrutiny Committee

In December 2011, the Protecting and Enhancing the Environment Scrutiny Committee established a Task and Finish Group, to review the Council's existing Affordable Housing Allocation Policy and Scheme in the context of the Localism Act.

Through a process of desk top research, evaluation of housing need and applicant/tenant profiling, taking evidence and gathering the views of professionals and customers, the PEE Scrutiny Committee brought forward recommendations to inform the drafting of a revised Shropshire Affordable Housing Allocation Policy and Scheme. In April 2013, Shropshire Council adopted new Affordable Housing Allocation Policy and Scheme, to be implemented April 2014 (Appendix B attached) following implementation of a new interactive IT delivery model (see below). The draft Allocation Policy and Scheme was theme subject to 3 months public consultation before being adopted by the Council in April 2013.

Shropshire was one of the first LA's to revise its' Housing Allocation Policy and Scheme in the context of the Localism Act. The recently published DCLG consultation paper '**Providing Social Housing For Local People: Strengthening Statutory Guidance On Social Housing Allocations – Consultation**' aims to ensure implementation of the intentions of the Localism Act as it refers to housing allocations, and to consider implementation of statutory guidance with respect to interpretation and delivery of these intentions.

'Providing Social Housing For Local People: Strengthening Statutory Guidance On Social Housing Allocations – Consultation'

The consultation document focusses on five main areas, proposing that the primary recommendations within the draft new guidance responded to here are that the Guidance should:

1. **Strongly encourage all local authorities to adopt a two year residency test as part of their qualification criteria.**
2. **Encourage local authorities to consider adopting other qualification criteria alongside a residency test so that people who are able to demonstrate a strong association to the local area are not disadvantaged.**
3. **Expect local authorities to consider the wider needs of the Armed Forces community**
4. **Remind local authorities of the need to provide for appropriate exceptions.**
5. **Remind local authorities of the desirability of operating a housing options approach alongside a restricted waiting list.**

Initial comments have been sought from members of the Social Housing Forum (membership includes social housing providers) and these are presented as an attached (below).

With respect to the four areas under consideration, these were areas considered by the PEE Scrutiny TFG:

1. **Strongly encourage all local authorities to adopt a two year residency test as part of their qualification criteria.**

Shropshire Council has embraced local residency along with other qualifying criteria in the development of the new Housing Allocation Policy and Scheme. The wording within the new Shropshire Affordable Housing Allocation Policy and Scheme with respect to relative preference is as follows:

"Shropshire HomePoint operates an open Housing Register. The choice-based letting scheme aims to provide opportunities for anyone to obtain housing within Shropshire, whilst providing a degree of preference to people who have a local connection with the County.

Consequently, those who have a local connection are likely to be given additional preference for rehousing. Households with no local connection will usually only be successful in a bid for a property in exceptional circumstances or where no-one else with a local connection from the band they are in (or a higher band), who has bid for the property. Date of application will only be relevant if a choice is necessary between more than one applicant with no local connection.

Local connection is defined as:

- Applicants currently living in Shropshire Council Area
- Those that have resided in the county three of the last five years, where residence has been out of choice
- Members of the British Armed Forces based within the county may be considered to have a local connection.
- Those who are employed in the area, other than of a casual nature;
- Those who have close family connections who have themselves lived in the county for five or more years;
- The applicant was a permanent resident of the local area for five years as a child, and attended a local school;
- Those who need to move to Shropshire for urgent social reasons such as to receive / give support”

The new Shropshire Scheme enables a number of local connection to be interpreted in a flexible way to ensure those people who have a reasonable local connection are not excluded because they do not meet one ‘rigid’ qualification criterion.

A **requirement** to prioritise local connection along with a standard definition of local connection (eg 2 years) would require detailed definition of cases where exceptions would/should be made. Interpretation would be open to legal challenge, both from those claiming a local connection and from those who believe their circumstances should override local connection. The PEE TFG concluded that a range of ‘local connections’ alongside ‘enhanced preference’, rather than requirement to prioritise with clear wording in the policy/scheme documents around how the interface between local connection and housing need operates would be more pragmatic and cost effective to manage.

2. Encourage local authorities to consider adopting other qualification criteria alongside a residency test so that people who are able to demonstrate a strong association to the local area are not disadvantaged.

The PEE TFG gave detailed consideration to a range of additional qualification criteria, to enhance opportunities for meeting key identified housing needs and facilitating development of sustainable communities. Within the new Shropshire Scheme, additional preference may be given to:

- People moving to independent living (10%)
- Former members of the Armed Forces (5%)
- People in Bronze Band (5%)
- Community Benefit (5%) – working households; key workers; completed pre-tenancy training

3. Expect local authorities to consider the wider needs of the Armed Forces community

The existing Shropshire Affordable Housing Allocation Policy and Scheme already recognises the needs of member of the Armed Forces. The new Allocation Scheme further refines this provision and provides a target of 5% (minimum) of total allocations.

4. Remind local authorities of the need to provide for appropriate exceptions.

The TFG considered balancing targeting accommodation against specific criteria and the need to meet the housing needs of those people in the 'reasonable preference' groups.

Consideration was also given to administrative impacts of two different approaches: assume inclusion and assess 'out' at the point of let; or assume exclusion and assess 'in' at the point of application. The former approach was adopted as the most cost-effective and pragmatic, recognising that as household circumstances change, each change could represent a new application which would require assessment. The numbers of people registering on the Housing Register can be managed through the Housing Advice/ Housing Options process, to reduce the number of inappropriate registrations being made (see below).

5. Remind local authorities of the desirability of operating a housing options approach alongside a restricted waiting list.

The Council provides comprehensive housing options and homelessness prevention services.

The Council is currently implementing a new interactive IT –based approach to delivery of housing options, and access to the Countywide Housing Register. From April 2014, households wishing to register for affordable housing will first complete an on-line Housing Options evaluation and guidance 'form', which will provide personalised information and advice about how best to address, and meet, their housing needs. Where households have little prospect of securing social-rented housing in their preferred areas, rather than automatically registering on the Housing Register and 'waiting' to be rehoused, they will be directed to a range of self-help and supported options in housing.

This new approach will trigger alerts with respect to potential/actual homelessness, vulnerability, property condition and so on, and will ensure

those with a reasonable prospect of achieving rehousing through the social housing register will be able to register. The aim is to better direct customers towards appropriate and achievable housing options for them in view of their individual circumstances, rather than using the Housing Register as a 'default option' and 'waiting' without to be rehoused without a realistic prospect of being so.

Comments to Date from Partners:

- a. It is a priority for the Trust to ensure that we let our homes to local people. We currently achieve this via local lettings plans and fully support DCLGs proposals to strengthen statutory guidance in this area. We would like to work with the LA and RPs to find a better mechanism than individual LLP's for each organisation in order to remove confusion for customers without diluting the RP's ability to achieve balanced communities.

To enable the Trust to continue to make best use of our stock and ensure a fair and transparent approach to lettings, the new guidance would need to;

- Be flexible enough to allow for exceptions, for example; applicants moving to smaller homes.
 - Have a clear and transparent criteria with regards to length of residency which is not so restrictive that it impacts negatively on demand.
 - Not take priority over an applicant's ability to manage a tenancy and be 'tenant ready'.
 - Ensure that we can continue to promote mixed and sustainable communities.
 - A large local registered provider has made the following comment:
- b. The local connection criteria in the existing Shropshire Affordable Housing Allocations Policy and Scheme works well for Severnside – it might be an idea to provide this section of the existing policy to support our views? The concern for us would be around the two year residence qualification. For properties and areas where there is high demand this would not be an issue. For properties and areas of lower demand, this criteria, if it is inflexible, may mean longer void periods and empty homes.

It is good to see the consultation document taking into account local connection and we feel this should also include those who have lived in the area as a permanent resident for at least five years, eg, as a child and who would wish to return.

Co-operation between authorities around domestic abuse, downsizing etc, will be important and should be encouraged.

The sub-regional approach on Allocations should be allowed for in the final statutory guidance.

The suggested requirement to publish guidance to applicants is also welcomed.

- c. As you know as a rural provider we mainly deal with developments and manage properties that are governed by section 106 local residency requirements. This is our niche and we would not wish to change this requirement as our mission statement clearly states “to provide local homes for local people”.

I therefore read this advice with some interest, particularly as we have a current complaint going through the local ombudsman about a refusal of allocation from an applicant with no local connection to Shropshire.

I think the advice is useful for the local authority, as it clarifies the law on equality and diversity and how this impacts allocation policies. The issue is that the policy is clearly stated that you can restrict applications to people with a local connection but it then gives examples of cases in which this policy might not apply. I assume that if you don't cover all the categories then your policy would be open to challenge.

The new allocations policy coming into force in March 2014 was re-worded to offer increased priority to local applicants, but as far as I am aware, the policy only states “can” and not “will” be given preference. We commented on this during the consultation as we felt that the wording was not sufficient to enforce the local connection requirement. I think this was done to try and ensure that the policy met equality and diversity legislation but it would now appear that a stronger statement using “will” could be applied.

If the local authority was to change its position by restricting the waiting list to local applicants this would avoid a certain amount of administration at our end on qualifying bids through Homepoint. It would also potentially avoid complaints from people without a local connection who currently bid but are denied because they have no connection. This can be distressing for the applicant as they think they have come top of the bidding only to be denied

As an organisation working in rural areas of Shropshire we would like to see the local connection priority clearly stated in the policy indicating that applicants with a qualifying connection “will” be given priority.