



Cabinet

Item

22 March 2023

Public



Implementation of the allocations policy and scheme: transitional arrangements

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Cabinet Member (Portfolio Holder):	Dean Carroll		

1. Synopsis

Cabinet is requested to approve the proposed transitional arrangements as part of the implementation of the revised allocations policy and scheme for allocations to Council owned stock and nominations to private registered providers of social housing.

2. Executive Summary

- 2.1. Tackling inequality is a key outcome of the Healthy People priority of the Shropshire Plan; ensuring affordable housing is allocated to thus in the greatest housing need is fundamental to tackling housing inequality. In October 2022 Cabinet approved and adopted a revised housing allocations policy and scheme. The policy and scheme seek to make best use of the flexibilities provided under the Housing Act 1996, to ensure social housing is allocated to those in the greatest need and support strategic housing priorities.
- 2.2. As set out in the October 2022 Cabinet report the policy and scheme is to be implemented in the first quarter of 2022-23. Unfortunately, due to delays out of Council's control, in order to meet the original deadline for implementation, transitional arrangements are proposed. Therefore, this report requests Cabinet to consider and approve transitional arrangements relating to how and where existing applicants will be placed on the revised housing register in relation to: local

connection qualifying criteria; registration date; and applicants who are sharing facilities with another household.

3. Recommendations

That Cabinet

- 3.1. Approve the proposed transitional arrangements as set out in section 7 of this report.
- 3.2. Give delegated authority to the Head of Service – Housing, Resettlement and Independent Living, in consultation with the Portfolio Holder for Growth, Regeneration and Housing, for all actions to facilitate the implementation of the revised allocations policy and scheme by the end of quarter 1 2023-24.

Report

4. Risk Assessment and Opportunities Appraisal

- 4.1. Further to the approval and adoption of the revised allocations policy and scheme in October 2022 the Council has been progressing its implementation, with the aim of introducing the revised policy and scheme during quarter 1 2023-24, which provides a long-stop date of 30 June 2023. However, due to matters outside the Council's control, the Council has two options:
 - (1) Continue to pursue the original implementation plan which involves the re-registration of all circa 6,000 housing register applicants; or
 - (2) Do not undertake re-registration, but instead place existing applicants into corresponding categories contained within the revised policy and scheme.
- 4.2. The risks associated with each option are:
 - (1) Significant time delay in implementation, with associated additional costs.
 - (2) As all the required information relating to the revised allocations policy and scheme does not form part of the current applications process, there would be a need to apply transitional arrangements. The main area where there is insufficient data relates to the local connection qualification criteria.
- 4.3. The opportunities associated with each option are:
 - (1) Despite the implementation of the revised policy and scheme being subject to significant delay, there would be no requirement for transitional arrangements.
 - (2) The proposed transitional arrangements as outlined in Section 7 below will ensure the implementation of the revised policy and scheme and will not negatively impact upon existing applicants and need only remain in place for up to two years.
- 4.4. Given that the revised policy and scheme has the aim of ensuring that those applicants in the greatest need are allocated housing, thus supporting the

Council's statutory duties under the Housing Act 1996, it is recommended that the revised policy and scheme is introduced as soon as is practically possible and as such this requires transitional arrangements as proposed below.

- 4.5. An Equality, Social Inclusion and Health Impact Assessment (ESHIA) has been completed and is attached as an appendix to this report. As the draft policy also increases the number of bands from four to seven, this allows for greater differentiation in prioritising categories of applicants required to be given reasonable preference under the Housing Act 1996 as well as also recognising the needs of those applicants who may not be in a reasonable preference group but are still in housing need and are a strategic priority for the Council, for example, key workers in low-paid employment. Given the recognised intersectionality across the nine Protected Characteristic groupings as set out in the Equality Act 2010, there will likewise be a predicted positive impact for individuals and households across groupings, particularly in the groupings of Age and Disability.
- 4.6. Additionally, there will be an anticipated positive impact for veterans and serving members of the armed forces and their families, for whom the Council seeks to have due regard to need through our tenth category of consideration of Social Inclusion. This is not an Equality Act category, rather representing our efforts as a Council to consider the needs of households in Shropshire and the circumstances in which they may find themselves.
- 4.7. Being able to access an affordable dwelling which meets a household's needs is essential to health and well-being. For example, this could be an allocation of a flat in an extra care sheltered scheme to an older person with disabilities, allowing them to be able to continue to have "their own front door" and live independently instead of moving into residential care or potentially being admitted to hospital due to a fall. Or instead providing a house which is affordable, of good quality and has security of tenure to a family threatened with homelessness, allowing them to create a home for their children and reducing the worry of a no fault eviction or being able to afford an increase in rent.

5. Financial Implications

- 5.1. The proposed transitional arrangements no longer require the re-registration of all existing applicants. The implementation, including the proposed transitional arrangements continue to be funded through existing budget allocations. The benefits of implementing the draft policy and scheme in line with the original timescale of quarter 1 2023-24, will reduce budget pressures in other areas, in particular the cost to the Council of temporary accommodation provided to homeless households under the Interim Duty of the Housing Act 1996.

6. Climate Change Appraisal

- 6.1. It is acknowledged that the Policy is expected to have a 'no effect' outcome on the climate change impacts listed below:
 - energy and fuel consumption
 - renewable energy generation

- carbon offsetting or mitigation, and
- climate change adaptation.

6.2. There are no other anticipated direct environmental impacts associated with the recommendations in this report. However, all social landlords, including the Council, are required to improve the energy efficiency of their dwellings with the aim of ensuring affordable warmth and reducing carbon emissions.

7. Proposed transitional arrangements

7.1. On 19 October 2022 the Cabinet approved and adopted a revised housing allocations policy and scheme. The revised allocations policy and scheme ensures that the Council complies with the Housing Act 1996, whilst making use of the flexibilities the Act provides. Moreover, the policy and scheme supports the Healthy People priority of the Shropshire Plan as it seeks to tackle housing inequality by ensuring affordable housing is allocated to those in the greatest housing need.

7.2. As set out in the October 2022 Cabinet report, the timetable for implementing the policy is quarter 1 2023-24. However, unfortunately due to issues outside the Council's control, in order for this timescale to be achieved, it is proposed that transitional arrangements are put in place.

7.3. These arrangements seek to ensure that the policy and scheme is implemented and that existing applicants are not unfairly negatively impacted. Transitional arrangements will remain in place for a period of up to two years.

7.4. Under the revised allocations policy and scheme applicants are required to have a local connection, subject to statutory exceptions, to be on the housing register, although applicants without a local connection but in a reasonable preference¹ category as defined in the Housing Act 1996 can be placed in Band 7.

7.5. Local connection is defined under the policy as an applicant, or a person who might reasonably be expected to reside with them, either:

- is normally resident within the local authority area of Shropshire for a period of at least two years immediately prior to an application being made;

¹ Reasonable preference categories

- people who are homeless within the meaning of Part 7 of the Housing Act 1996 (including those who are intentionally homeless and those not in priority need);
- people who are owed a duty by any housing authority under the Housing Act 1996 sections 190(2), 193(2) or 195(2) (or under section 65(2) or 68(2) of the Housing Act 1985) or who are occupying accommodation secured by any such authority under section 192(3);
- people occupying insanitary or overcrowded housing or otherwise living in unsatisfactory housing conditions;
- people who need to move on medical or welfare grounds, including grounds relating to a disability; and
- people who need to move to a particular locality in the district of the authority, where failure to meet that need would cause hardship (to themselves or to others).

¹Definition of local connection under current allocation policy and scheme

- or has a local connection with the area by virtue of family association (this being parents, grandparents, adult children, grandchildren, a brother or a sister currently living in Shropshire and has been normally resident within Shropshire for at least five years) or secure employment (the employment or self-employment of the applicant or an adult member of the household for at least one year's duration and at least 20 hours per week).

- 7.6. In order not to delay the implementation of the revised policy and scheme it is proposed that, as a transitional arrangement, all those existing applicants who have a local connection under the current policy and scheme² are placed into Bands 1 to 6 according to their need, with the exception of those applicants whose financial resources mean that they are not considered as being in housing need.
- 7.7. It is also proposed that as a further transitional arrangement, those existing applicants without a local connection to Shropshire are placed in Band 7, this being irrespective as to whether they are in a reasonable preference category.
- 7.8. The revised allocations policy and scheme places applicants in the highest Band which their circumstances allow; within each Band applicants are ranked in date order from when they were registered into that Band. As a transitional arrangement it is proposed that when existing applicants are placed in the highest Band which their circumstances allow, the date they will be ranked by is their original registration date.
- 7.9. Band 5 of the revised allocations policy and scheme contains a category for when an applicant shares essential facilities such as a bathroom, toilet or kitchen with a separate household, but in cases where this relates to parents and adult children this does not apply. However, the current allocations policy and scheme does not include this caveat. As a transitional arrangement it is proposed that all existing applicants who are in the current sharing essential facilities category are placed in Band 5, irrespective of whether parents and adult children are sharing.

8. Conclusions

- 8.1. The revised allocations policy and scheme seeks to ensure that social housing is allocated to those applicants in greatest housing need. Therefore, it is important to implement the policy and scheme in line with the original timescale of quarter 1 2023-24, however, in order for this to happen transitional arrangements are required.

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- 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;
 - 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

List of Background Papers

18 October 2022 Cabinet Report Draft Housing Allocations Policy and Scheme

Local Member: All

Appendices

Appendix I: Equality, Social Inclusion and Health Impact Assessment (ESHIA)

Appendix I: Equality, Social Inclusion and Health Impact Assessment (ESHIA)

Initial Screening Record

A. Summary Sheet on Accountability and Actions

Name of proposed service change
<i>Implementation of allocations policy and scheme: transitional arrangements</i>

Name of lead officer carrying out the screening
Melanie Holland

Decision, review, and monitoring

Decision	Yes	No
Initial (part one) ESHIA Only?	✓	
Proceed to Full ESHIA or HIA (part two) Report?		✓

If completion of an initial or Part One assessment is an appropriate and proportionate action at this stage, please use the boxes above. If a Full or Part Two report is required, please move on to full report stage once you have completed this initial screening assessment as a record of the considerations which you have given to this matter.

<p>Actions to mitigate negative impact or enhance positive impact of the service change in terms of equality, social inclusion, and health considerations</p> <p>The proposed changes to the housing allocations policy and scheme seek to ensure that all forms of social housing, this includes supported housing and low-cost home ownership products, are allocated to those persons in the greatest housing need. Therefore, seeking to ensure equality of opportunity and social equality is promoted through access to suitable housing to allow people to be able to participate in society and to ensure the provision of suitable housing for people's health and support needs will improve people's quality of life and reduce admissions to hospital and residential care.</p> <p>ADD As the draft policy also increases the number of bands from four to seven, this allows for greater differentiation in prioritising categories of applicants required to be given reasonable preference under the Housing Act 1996 as well as also recognising the needs of those applicants who may not be in a reasonable preference group but are still in housing need and are a strategic priority for the Council, for example, key workers in low-paid employment. Given the recognised intersectionality across the nine Protected Characteristic groupings as set out in the Equality Act 2010, there will likewise be a predicted positive impact for individuals and households across groupings, particularly in the groupings of Age and Disability.</p>
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ADD Additionally, there will be an anticipated positive impact for veterans and serving members of the armed forces and their families, for whom the Council seeks to have due regard to need through our tenth category of consideration of Social Inclusion. This is not an Equality Act category, rather representing our efforts as a Council to consider the needs of households in Shropshire and the circumstances in which they may find themselves.

By having a policy which covers allocations and nominations to all forms of social housing and introducing local connection and financial assessment qualification criteria for Bands 1 to 6, this should result in not just housing being allocated to those in greatest housing need, but also provide strong evidence of need and demand, which will greatly assist the Council and its partners to enhance the positive impact of the policy change through the enabling and delivery of additional social housing.

Actions to review and monitor the impact of the service change in terms of equality, social inclusion, and health considerations

The draft policy and scheme has been subject to public consultation which has resulted in changes to seek to better ensure social inclusion; if the final policy and scheme is agreed, part of the implementation process will involve contacting all existing applicants to advise them of the policy changes. Applicants who are no longer qualify for an allocation or feel that they have less priority than previously have a right of appeal. Following the implementation of the revised policy it will be subject to robust continuous monitoring, both in terms of allocations of Council owned stock and housing association compliance with nomination agreements, to ensure that those applicants in the greatest housing need are being allocated social housing and to seek to maximise positive outcomes across all Protected Characteristic groupings. In addition, as a minimum, there will be quarterly monitoring of housing demand as evidenced by the housing register, in terms of first choice parish and type and size of property. This data will be used to inform development and asset management plans, so as to ensure that new and existing social housing meets need and reflects aspirations.

Associated ESHIAs

An initial ESHIA was undertaken on the draft revised policy for consultation in March 2022.

Actions to mitigate negative impact, enhance positive impact, and review and monitor overall impacts in terms of any other considerations. This includes climate change considerations

Climate change

As the housing allocations policy and scheme is purely concerned with allocations and nominations for existing social housing stock a climate change appraisal is not relevant.


Health and well being

Being able to access an affordable dwelling which meets a household's needs is essential to health and well-being. For example, this could be an allocation of a flat in an extra care sheltered scheme to an older person with disabilities, allowing them to be able to continue to have "their own front door" and live independently instead of moving into residential care or potentially being admitted to hospital due to a fall. Or instead providing a house which is affordable, of good quality and has security of tenure to a family threatened with homelessness, allowing them to create a home for their children and reducing the worry of a no fault eviction or being able to afford an increase in rent.

Economic and societal/wider community

By ensuring that those in the greatest housing need are allocated social housing, the benefits are not limited to improving the individual health and wellbeing of those allocated housing but can be much wider. For example, the provision of affordable housing can result in some being able to escape the "benefits trap" and take a job as a care assistant. Moreover, enabling someone with learning disabilities or autism to choose to live independently in supported housing, is essential to ensuring an inclusive society.

Scrutiny at Part One screening stage

People involved	Signatures	Date
<i>Lead officer carrying out the screening</i>		7 February 2023
<i>Any internal service area support*</i>		
<i>Any external support**</i> Mrs Lois Dale, Rurality and Equalities Specialist		10 th February 2023

****This refers to other officers within the service area***

*****This refers to support external to the service but within the Council, e.g., the Rurality and Equalities Specialist, the Feedback and Insight Team, performance data specialists, Climate Change specialists, and Public Health colleagues***

Sign off at Part One screening stage

Name	Signatures	Date
<i>Lead officer's name</i>		

<i>Accountable officer's name</i>		
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****This may either be the Head of Service or the lead officer***

B. Detailed Screening Assessment

Aims of the service change and description

The Council's existing allocation policy and scheme, "Shropshire Affordable Housing Allocation Policy and Scheme" was launched in 2014. This is a common housing register which uses choice-based lettings (CBL) to allocate all Council owned stock (managed by its Arm's Length Management Organisation, STAR Housing) and void dwellings from partner Private Registered Providers. However, since 2014 there has been a sharp increase in housing costs in the private sector, resulting in all forms of social housing, including supported accommodation and local cost home ownership products becoming a very scarce and important resource. It is now become vital that the Council ensures that those applicants in the greatest need are allocated social and affordable housing which in recent years, due to the increase in housing costs in the private sector, has become a very important resource. Moreover, the policy review has been influenced by the strategic need to:

- Prevent and tackle homelessness, including reducing the pressure on temporary accommodation;
- Promote independent living and reduce admissions to residential care, by ensuring the best use of all tenures and types of social housing; and
- Enable key workers on low incomes to be able to access affordable housing.

It is therefore proposed to move to a situation where the Council's policy is for allocations to the Housing Register; the allocation of the housing stock owned by the Council, which is managed by its Arm's Length Management Organisation (ALMO), Shropshire Towns and Rural (STAR) Housing; and nominations to housing associations registered with the Regulator of Social Housing (for social and affordable rented and low cost home ownership³ properties).

The CBL process would remain in place, but formal nominations arrangements would be introduced, with all large Private Registered Providers to require to agree to nomination rights to 100% of allocations to new build housing, with nominations to re-lets and all existing stock be agreed on an individual basis. It should be noted that the Housing Act 1996 refers to the need for Private Registered Providers to co-operate with local housing authorities to offer housing to people in priority need and who are homeless. In addition, Housing Corporation Regulatory Circular, 02/03 Regulation, February 2003 refers to nomination agreements between local authorities and housing associations (Private Registered Providers) and how these should be for a minimum of 50% void dwellings on re-let.

To ensure the Council is meeting local housing and support needs of those who are unable to meet their needs through the market, the draft policy contains

³ With the exception of Homes England grant funded shared ownership properties on non-exception sites

qualification criteria relating to local connection, a financial assessment and unacceptable behaviour, whereby eligible applicants with a local connection and in housing need will be placed in Bands 1 to 6. Those eligible applicants without a local connection, subject to the below exceptions, will be placed in Band 7 (the lowest band).

With statutory exceptions relating to the Armed Forces, ex-service personnel and existing social tenants moving to employment in Shropshire, the proposed local connection is either residency (have lived in Shropshire for the last two years), close family living in Shropshire, or being employed in Shropshire. As the Local Housing Authority, the Council retains discretion to dis-apply the qualification criteria in exceptional circumstances.

It is proposed that applicants who would be able to purchase or rent market priced housing within Shropshire which is suitable for their needs would be placed in Band 7. The draft policy proposes that the threshold for being able to access accommodation in the open market is an income of £50,000 gross per annum or savings and assets (including equity in a property) of more than £200,000 or both. Where an applicant only wishes to access low cost home ownership housing the annual gross income is raised to £80,000.

Although the existing policy disqualifies persons on the grounds of unacceptable behaviour, this is based on a very stringent test. The draft revised policy recognises that there can be no blanket restrictions as each case needs to be considered on its own merits, however, the policy sets out a list of example scenarios where an applicant could be disqualified from an allocation of housing.

The draft policy also increases the number of bands from four to seven. Thus allowing for greater differentiation in prioritising categories of applicants are required to be given reasonable preference under the Housing Act 1996 and also recognising the needs of those applicants who may not be in a reasonable preference group but are still in housing need and are a strategic priority for the Council, for example, key workers in low-paid employment.

In addition, by the policy applying to all forms and tenures of social housing and introducing qualifying criteria relating to local connection and financial resources, this means that there is greater clarity on the evidence to support affordable and specialist housing development.

Intended audiences and target groups for the service change

The proposed changes to the allocations policy and scheme will affect applicants currently on the housing register and future applicants wishing to join. The local connection and financial assessment qualification criteria will result in all those eligible applicants with a local connection and in housing need to be placed in Bands 1 to 6, with eligible applicants who are not in housing need or do not have a local connection being placed in Band 7. However, the revised scheme will encompass all forms of social housing, including supported housing and low-cost home ownership, so for all eligible applicants there is greater opportunity of being allocated housing.

In addition, moving from a common housing register to the Council facilitating allocations and nominations from a local authority housing register, will also change

the way the Council works with housing associations into a more formal approach, with ongoing monitoring. However, this approach is considered a standard model for allocating social housing, especially in areas of scarce affordable housing and high housing need.

Elected Members are also likely to be affected by the proposed changes as they may be contacted by applicants.

Evidence used for screening of the service change

The evidence used for developing the proposed changes to the allocation policy and scheme includes: homelessness data (including the numbers of households in temporary accommodation); housing need and demand data from the existing housing register; housing market data; research on key workers; statutory guidance on social housing allocations for local housing authorities in England; good practice and feedback from the public consultation.

Specific consultation and engagement with intended audiences and target groups for the service change

The eight-week public consultation included formal consultation with all 32 Private Registered Providers operating in Shropshire and media publicity to raise awareness with Council tenants and existing and potential applicants.

Initial equality impact assessment by grouping (Initial health impact assessment is included below)

Please rate the impact that you perceive the service change is likely to have on a group, through stating this in the relevant column.

Please state if it is anticipated to be neutral (no impact) and add any extra notes that you think might be helpful for readers.

Protected Characteristic groupings and other groupings in Shropshire	High negative impact <i>Part Two ESIIA required</i>	High positive impact <i>Part One ESIIA required</i>	Medium positive or negative impact <i>Part One ESIIA required</i>	Low positive, negative, or neutral impact (please specify) <i>Part One ESIIA required</i>
<u>Age</u> (please include children, young people, young people leaving care, people of working age, older people. Some people may belong to more than one group e.g., a child or young person for whom there are safeguarding concerns e.g., an older person with disability)			✓	

<u>Disability</u> (please include mental health conditions and syndromes; hidden disabilities including autism and Crohn's disease; physical and sensory disabilities or impairments; learning disabilities; Multiple Sclerosis; cancer; and HIV)			✓	
<u>Gender re-assignment</u> (please include associated aspects: safety, caring responsibility, potential for bullying and harassment)				✓
<u>Marriage and Civil Partnership</u> (please include associated aspects: caring responsibility, potential for bullying and harassment)				✓
<u>Pregnancy and Maternity</u> (please include associated aspects: safety, caring responsibility, potential for bullying and harassment)				✓
<u>Race</u> (please include ethnicity, nationality, culture, language, Gypsy, Traveller)				✓
<u>Religion and belief</u> (please include Buddhism, Christianity, Hinduism, Islam, Jainism, Judaism, Nonconformists; Rastafarianism; Shinto, Sikhism, Taoism, Zoroastrianism, and any others)				✓

<u>Sex</u> (this can also be viewed as relating to gender. Please include associated aspects: safety, caring responsibility, potential for bullying and harassment)				✓
<u>Sexual Orientation</u> (please include associated aspects: safety; caring responsibility; potential for bullying and harassment)				✓
<u>Other: Social Inclusion</u> (please include families and friends with caring responsibilities; households in poverty; people for whom there are safeguarding concerns; people you consider to be vulnerable; people with health inequalities; refugees and asylum seekers; rural communities; veterans and serving members of the armed forces and their families)			✓	

Initial health and wellbeing impact assessment by category

Please rate the impact that you perceive the service change is likely to have with regard to health and wellbeing, through stating this in the relevant column.

Please state if it is anticipated to be neutral (no impact) and add any extra notes that you think might be helpful for readers.

Health and wellbeing: individuals and communities in Shropshire	High negative impact <i>Part Two HIA required</i>	High positive impact	Medium positive or negative impact	Low positive negative or neutral impact (please specify)
Will the proposal have a <i>direct impact</i>			Positive impact	

<p>on an individual's health, mental health and wellbeing?</p> <p>For example, would it cause ill health, affecting social inclusion, independence and participation?</p> <p>.</p>				
<p>Will the proposal indirectly impact an individual's ability to improve their own health and wellbeing?</p> <p>For example, will it affect their ability to be physically active, choose healthy food, reduce drinking and smoking?</p> <p>.</p>			Positive impact	
<p>Will the policy have a direct impact on the community - social, economic and environmental living conditions that would impact health?</p> <p>For example, would it affect housing, transport, child development, education, employment opportunities, availability of green space or climate change mitigation?</p> <p>.</p>				Neutral to low positive
<p>Will there be a likely change in demand for or access to health and social care services?</p> <p>For example: Primary Care, Hospital Care,</p>			Positive impact	

Community Services, Mental Health, Local Authority services including Social Services?			
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Identification of likely impact of the service change in terms of other considerations including climate change and economic or societal impacts

As the housing allocations policy and scheme is purely concerned with allocations and nominations for existing social housing stock a climate change appraisal is not relevant.

With respect to the Human Rights Act, this does not give a person a right to a home or other accommodation, instead it contains a right to respect for a home that a person already has. The Housing Act 1996 and the associated statutory guidance on social housing allocations for local authorities in England sets out the legal framework for the Council to establish its allocation policy and scheme. The Council must comply with the Housing Act 1996, even if the statute appears to infringe the Human Rights Act, for example in terms of eligibility. However, the operation of allocation schemes must avoid unjustified discrimination (which may be contrary to Article 14 of the Human Rights Act) and procedural unfairness (which may be contrary to Article 6 of the Act). The revised draft allocations policy and scheme has been considered in terms of this, and advice and assistance, including assisted bidding is provided to ensure all persons are able to apply to the scheme and applicants are able to submit bids.

With respect to the public sector equality duty, through ensuring those applicants in the greatest housing need are allocated social housing the draft revised policy seeks to promote social inclusion.