1. SUMMARY

This report outlines proposals for amending the Council’s Housing Allocations Scheme which sets out how the Council allocates social housing in the borough.

2. RECOMMENDATIONS

2.1 Cabinet is recommended to:

2.1.1 Approve the proposed major changes to the Waltham Forest Allocations Scheme as set out in this report.

2.1.2 Delegate any further minor technical changes to the Allocations Scheme to the Special Housing Adviser in consultation with the Portfolio Lead for Housing (see Appendix 1).

3. PROPOSALS

3.1 Background Information

3.1.1 The Council’s Housing Allocations Scheme sets out how we prioritise housing applicants and how we allocate social housing in the borough.
3.1.2 We reviewed the scheme in 2012-13 in response to the Localism Act which gave local authorities greater flexibilities in housing allocation and also enabled the discharge of the homelessness duty into the private sector. We also took the opportunity to give greater priority to under-occupiers to mitigate the impact of welfare reform, to amend our tenancy succession rules and to make other minor changes.

3.1.3 The impact of the new policy has been broadly as envisaged. The overall number on the register has reduced from over 26,000 to around 16,600 as the result of the removal of non-bidders, no preference cases, and those not meeting the residency requirement.

3.1.4 However, given increasing pressures on the very limited supply of housing, it was agreed that we should look at the scheme again in the context of:

- Refining the current system to ensure that it provides realistic options to residents – by looking at who has priority for rehousing and how we could simplify the assessment
- Transfer led lettings - balancing the needs of tenants who want to move with the need to reduce numbers in temporary accommodation
- The new London Housing Strategy and the requirement for new affordable rented housing to be split between discounted and capped rents.

3.2 Within this context, and taking into account the views gained from the consultation exercise detailed in paragraph 6 below, the following is proposed:

3.2.1 To restrict eligibility for the Housing Register to people who have lived in the borough for at least 4 years (currently 2 years)

3.2.2 To award extra priority to applicants who are making a “Community Contribution” by working, volunteering, fostering, or who were previously in the armed forces or are in training which will lead to employment

3.2.3 To simplify the banding system so that there is no longer a points range within each priority band

3.2.4 To amend the bedroom size rules so that two children of the same gender up to and including the age of 21 can be expected to share a bedroom (currently up to and including the age of 16) before incurring priority for overcrowding

3.2.5 To no longer give priority to applicants whose only housing problem is sharing facilities with people outside their own household (including relatives).

3.2.6 To increase the use of “transfer-led lettings” so that more properties will be initially offered to current social housing tenants and the overall number of lettings is maximised.
3.3 Further detail on all the substantive proposals can be found in Appendix 2.

4. OPTIONS & ALTERNATIVES CONSIDERED
4.1 With regard to the proposal 3.2.1, we considered increasing the time limit to 5 years, but it was felt that this was excessive. 64% of survey respondents were in favour of an extension to 4 years.

4.2 With regard to proposal 3.2.2, we considered developing the clause in the current scheme which allows us to allocate a small quota of 1 bed “hard to let” properties to economically active single people/couples using fixed term tenancies with higher than social rent levels. However, it was felt that the proposed change will give us more flexibility to help a broader range of residents. 78% of survey respondents were in favour of the current proposal.

4.3 With regard to proposal 3.2.3, we considered removing those with no housing need from the Register, but it was felt that retaining this gave a clearer picture of housing demand. 75% of survey respondents were in favour of the current proposal.

4.4 With regard to proposal 3.2.4, we considered removing overcrowding priority from those who only lacked one bedroom, as some boroughs have done. However it was felt that the negative impact on residents would be too great. 53% of survey respondents were in favour of the current proposal.

4.5 With regard to proposal 3.2.5, we considered retaining priority for some residents who were sharing facilities; however, it was felt that retaining discretion to award priority in exceptional circumstances would be sufficient. 66% of survey respondents were in favour of the current proposal.

4.6 With regard to proposal 3.2.6, we considered restricting this to new lets only. In practice it is likely this will mainly be used when new developments are released, but it was felt we should retain flexibility to use this more widely if necessary. 54% of survey respondents were in favour of the current proposal.

4.7 Cabinet may choose not to make the proposed amendments to the allocations scheme. This is not recommended for the reasons set out in this report.

5. SUSTAINABLE COMMUNITY STRATEGY PRIORITIES (AND OTHER NATIONAL OR LOCAL POLICIES OR STRATEGIES)
5.1 The proposals set out in this report support the Council’s priorities for 2015-18, specifically:
- Support affordable housing for everyone’s needs
- Help all our residents enjoy a good quality of life
- Help build a strong local economy and thriving town centres

5.2 It also supports the following aims of the Council’s housing strategy:
- Making the most of the homes we have
- Creating successful communities

5.3 London Housing Strategy – Affordable Housing Delivery Framework:

5.3.1 Housing providers bidding for funding through the Mayor’s 2015-18 affordable housing programme will have to comply with certain conditions, including a requirement to target certain properties at employed people.

5.3.2 The introduction of the Community Contribution Award (CCA) and the identification of employment status will enable us to target affordable housing at employed people where required due to grant funding conditions, and/or where desired in order to achieve mixed and sustainable communities.

6. CONSULTATION

6.1 There is no statutory duty for the Council to conduct public consultation on changes to its Allocations Scheme, although we consider that it is best practice to do so. On 26th November 2014, the Council launched a public consultation on the proposed changes to the Allocations Scheme, which ran until January 11th 2015. The consultation was publicised widely, through the Ascham Homes Residents’ newsletter, Waltham Forest News, slides on the plasma screen presentations in reception areas, a feature on the front page of the Council’s website, emails directly to the voluntary sector and housing providers operating in the borough and through announcements and discussion at established forums such as the Housing Association Liaison Groups and the Advice Providers’ Forum. It was also publicised on the Choice Based Lettings website and magazine. The text of the consultation is attached as Appendix 3. A report on the consultation is attached as Appendix 4.

6.2 In addition we consulted directly with every private registered provider and registered social landlord with which we have nomination agreements. This consultation included a written invitation to comment on the proposals as well as discussions at meetings and workshops. There were no objections to any of the changes.
6.3 All the proposals in this report received majority support from survey respondents.

7. IMPLICATIONS

7.1 Finance, Value for Money and Risk

7.1.1 The increase in transfer-led lettings (paragraph 3.2.6 above) will lead to an increased number of voids. The average cost of a void in the housing revenue account (HRA) is £2,500, excluding any major works. It is expected there will be 290 allocations of newly built housing association property in 2015/16. If all of these are allocated initially on a transfer-led basis in place of the previous level of about 14% transfer allocations this will increase void costs by approximately £625,000. The additional cost in later years would be less because the number of new build allocations is exceptionally high in 2015/16. Increased provision for void costs of £155,000 has been included in the HRA budget for 2015/16. The additional cost can be met within the HRA business plan but will reduce the resources available for other plans.

7.1.2 There will be a one off cost to the HRA to make IT changes to implement these proposals. This is estimated to be £35,000. It is expected this can be met within existing budgets.

7.1.3 The proposals are not currently planned to have any effect on the number of allocations to homeless families and so no effect on the general fund budget is expected.

7.1.4 Putting in place these changes to the allocations scheme will improve value for money in the longer term by enabling resources to be used more efficiently.

7.1.5 The major risk financially is the impact on the voids budget which is difficult to forecast precisely and will need to be carefully monitored. If necessary the number of transfer-led allocations could be limited to control costs.

7.2 Legal

7.2.1 The Council as a local housing authority is required by the Housing Act 1996 (as amended by the Localism Act 2011) to have an allocation scheme for determining priorities, and as to the procedure to be followed, in allocating housing accommodation.
7.2.2 The scheme must be framed so as to give reasonable preference to the groups identified in S.166A(3) of the Housing Act 1996, namely:

(a) People who are homeless within the meaning of Part VII.
(b) People who are owed a duty by any local housing authority under s.190(2), 193(2) or 195(2) (or under s.65(2) or 68(2) of the Housing Act 1985) or who are occupying accommodation secured by any such authority under s.192(3).
(c) People occupying insanitary or overcrowded housing or otherwise living in unsatisfactory housing conditions.
(d) People who need to move on medical or welfare grounds (including any grounds relating to a disability).
(e) People who need to move to a particular locality in the district of the authority where failure to meet that need would cause hardship.

7.2.3 The scheme may also be framed so as to give additional preference to particular descriptions of people within one or more of paragraphs (a) to (e) (being descriptions of people with urgent housing needs).

7.2.4 The scheme must also be framed so as to give additional preference to a person with urgent housing need who falls within one or more of paragraphs (a) to (e) and who are/were serving members of the armed forces as set out and defined at s.166A(3).

7.2.4 The proposals to alter the Allocations Scheme are in accordance with Part VI of the Housing Act 1996 amended and have been developed with reference to the Department of Communities and Local Government statutory guidance, ‘Allocation of Accommodation: Guidance for local housing authorities in England’ (2012). When modifying its allocation scheme the Council is obliged to have regard to:

(a) Its current homelessness strategy
(b) Its current tenancy strategy
(c) The London Housing strategy

7.2.5 Before making an alteration to a scheme reflecting a major change of policy under Section 166A(13) provides that the local authority must send a copy of the draft scheme to every private registered provider of social housing and registered social landlord with which they have nomination arrangements and afford those persons a reasonable opportunity to comment on the proposals.

7.2.6 The Council conducted a public consultation. The consultation process complied with the legal requirements. It was undertaken initially at a formative stage, provided adequate information and time for a response. To complete this process, Members must conscientiously take into account the views expressed by those who have taken part as set out in Appendix 4 when making their decision. Consultation
responses are not binding on members but need to be taken into account.

7.2.7 The Equality Act 2010 requires public authorities to have due regard to the need to eliminate discrimination and advance equality of opportunity. The Council must further take into account its wider Public Sector Equality Duty (PSED) under s.149 of the Equality Act 2010 when making its decision. Members are referred to Appendix 5, (the Equality Analysis) that sets out the nature of the duty.

7.2.8 Members must carefully consider the impacts identified and be satisfied that the mitigation set out provides a sufficient safety net.

7.3 Equalities and Diversity

7.3.1 This proposal has been formulated in full compliance with the Council’s equalities duties (both statutory and arising from its own internal policies. A full equalities analysis is attached as Appendix 5.

7.3.2 The equalities analysis concluded that whilst there is the potential for negative impacts on some groups with protected equality characteristics. In light of this, the Council has attempted to mitigate any negative impacts fully, but there is likely to be some unavoidable negative impacts. Overall, weighing the benefits of the proposed changes against the potential for adverse impacts (despite the mitigation), it is felt that the changes are justified.

7.4 Sustainability (including climate change, health, crime and disorder)

7.4.1 There are no sustainability implications arising from the report.

7.5 Council Infrastructure

7.5.1 There are no Council infrastructure implications arising from this report.

BACKGROUND INFORMATION (as defined by Local Government (Access to Information) Act 1985)

Allocation of Accommodation – Guidance for Local Housing Authorities in England