

READING BOROUGH COUNCIL

REPORT BY DIRECTOR OF ENVIRONMENT AND NEIGHBOURHOOD SERVICES

TO:	HOUSING, NEIGHBOURHOODS AND LEISURE COMMITTEE		
DATE:	26 NOVEMBER 2013	AGENDA ITEM:	9
TITLE:	HOUSING ALLOCATIONS SCHEME - CONSULTATION FEEDBACK		
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1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 The Council's Housing Allocations Scheme sets out the rules used to determine who gets priority for social housing in the Borough.
- 1.2 This report details Reading Borough Council's requirement to review its Allocations Scheme, including the national drivers for this change. In addition it considers the key policy issues for deliberation from the results of consultation, including recommended changes to the Council's Allocations Scheme.

2. RECOMMENDED ACTION

- 2.1 That the Committee note the findings from the 'Let's Talk Housing' consultation on the Council's Allocation Scheme.
- 2.2 That the Committee agree the proposed changes to the Council's Housing Allocation Scheme, informed by the consultation set out as follows:
 - a. That Reading Borough Council introduces a 3 year residency requirement for applicants to the Housing Register, thus requiring applicants to have lived or worked continuously within the borough boundaries for the previous 3 years. (Exceptions apply as at 4.11)
 - b. That Reading Borough Council prevents applicants from registering for social housing for 3 years if they have been evicted from a social rented tenancy due to a tenancy management issue, unless there are exceptional circumstances that apply.
 - c. That Reading Borough Council prevent applicants from accessing the Housing

Register who bid for and subsequently refuse 3 properties over a 6 month period, for a period of 1 year.

d. That 'Band F' within the Allocations Scheme is renamed to 'No priority' to set clearer expectations about applicants' chances of re-housing.

2.3 That the Committee request that officers draft a revised Allocations Scheme for consultation in January 2014, to be enacted from 1st April 2014.

3. POLICY CONTEXT

3.1 It is a legal requirement for every Local Authority to have a published Allocations Scheme and for it to be kept under regular review.

3.2 The last significant review of Reading Borough Council's Allocations Scheme was carried out in March 2011. Although there is no specific requirement to complete a review this year, it is considered best practice to ensure this is carried out at regular intervals and there are additional drivers that underpin the proposed review.

3.3 In 2011 the Localism Act brought about a number of changes which affect how Local Authorities may administer social housing and gave new freedoms to how Allocations Schemes may be framed to meet local need.

3.4 The Act provides Local Authorities with significant local control about who applies for housing, the way the Housing Register is managed and the priority that can be given to locally determined groups that are assessed as being in housing need.

3.5 In contemplating any review of the Allocations Scheme it is important to note that there are certain legal requirements that the Council has to follow set out by Part 6 of the Housing Act 1996. Fundamentally Local Authorities are still required to give priority to households who attract 'reasonable preference'.

3.6 The definition for 'reasonable preference' is set out in legislation and still applies after the introduction of the Localism Act. The reasonable preference categories include:

- homeless households;
- overcrowded households;
- those living in unsanitary housing conditions; and
- those who require a move based on medical or welfare grounds.

3.7 Over the course of 2013, the Housing Department has been reviewing a number of key strategies and policies under the banner of 'Lets Talk Housing', including carrying out a consultation on the Allocations Scheme to consider how it delivers outcomes in line with the overall priority to meet housing need within the borough in light of the changes brought about by the Localism Act.

3.8 The consultation was carried out with residents, stakeholders and partners to gather views in order to assist in shaping Reading Borough Council's Allocations Scheme under the 'Lets Talk Housing' theme.

- 3.9 This paper sets out the results of the consultation and how they influence possible options for developing a revised Allocations Scheme. It details issues for consideration and applies local and national context to support decision making on these issues and gives recommendation for change.

Consultation Overview

- 3.10 The 6 week consultation ran between the 4th September and 16th October 2013 and was carried out by an online questionnaire, paper form and focus group and included the following promotion:

- local press
- email to stakeholders and partners
- promotion on the CBL bidding pages
- tenant focus group
- social network promotion
- included in correspondence coming from housing department
- posters at customer access points

- 3.11 Respondent Profile (percentages are given in relation to responses for individual questions):

- 210 respondents, of which, 186 were residents (89%) and 24 (11%) were completing on behalf of an organisation.
- 85 (46%) respondents were on the Reading Borough Council Housing Register. 29% of these were in Band F.
- 59 (32%) were Reading Borough Council tenants (a total of 44% social housing tenants).
- 37 (21%) had a long term disability or health problem.

4 THE PROPOSAL

A Qualifying Applicants - Background

- 4.1 Prior to the Localism Act, anyone could register for social housing with any Local Authority, apart from a few exceptions such as those subject to immigration control. The Localism Act introduced the power to define classes of people who may or may not apply for social housing within a Local Authority area. In the consultation consideration was given to the following groups:

1. External applicants - those households living outside of the Borough;
2. Those households with previous tenancy management issues within social housing; and
3. Those who are repeatedly bidding for property on the Housing Register and then refusing it.

- 4.2 The consultation asked a number of questions in relation to these groups, further consideration for each is discussed in greater detail below.

A1 External Residents

4.3 The pressure on social housing in Reading is considerable, with over 9000 applicants on the Housing Register and fewer than 600 new lettings made last year. This pressure is further compounded by the decrease of social housing stock due to the right to buy initiative and the slowing of new development due to the prevailing economic environment.

4.3.1 *Responses to the consultation on this point were in favour of restricting the Housing Register to people who live within the Borough with 69% agreeing to the general principle of this restriction.*

4.3.2 *There was a fairly even spread of opinion on how long this restriction should apply once a potential applicant has moved into the area, with the following responses:*

	Number	%	Comment
1 year	37	26	
3 years	42	29	
5 years	55	38	
Other	11	8	Predominantly 10 years - although responses range from 2 - 20 years.

4.3.3 *As shown the responses indicate that there is mixed opinion on how long households should be restricted from applying to the housing register after moving to the Borough. Although the largest individual category is 5 years (38%), the majority of respondents (55%) of respondents felt that 3 years or under was an adequate length of time to restrict based on residency.*

4.4 In considering this issue the Council should be mindful that several neighbouring authorities are planning to apply residency criteria, or have already applied them to their housing registers, including West Berkshire and Windsor and Maidenhead. Additionally most London authorities have applied or are in the process of applying residency criteria, many of which are choosing to apply criterion of 5 years.

4.5 As surrounding authorities start to apply these qualification criteria Reading becomes increasingly open to attracting external applicants on its Housing Register.

4.6 Additionally, there are concerns about the migration of households out of London Boroughs due to financial insecurity for households as a result of Welfare Reform. The cap to overall benefits is predicted to have a significant impact on households living in areas with very high rents, predominantly in London. Accommodation in many areas of London will become wholly unaffordable to many low income households and it is expected that London Authorities will be looking for medium term accommodation options in other parts of the South East. Many of the London Authorities each have over 300 households residing in their area who are affected by this cap; there is substantial risk that Reading will be an area that is considered favourable to source housing to accommodate these households.

4.7 Bearing this in mind it is also likely that London Authorities will apply new homeless legislation to discharge their homeless duty into private rented accommodation. The new legislation allows for Authorities to source accommodation for homeless

households outside of their borough boundaries. As published recently by the Bureau of Investigative Journalism some London authorities have already used properties in Reading for temporary accommodation.

- 4.8 All of these factors combined cause significant concern as to the capacity of the Local Authority to meet demand for housing within the Borough. As demand for social housing increases it is proposed that there is a significant need to prioritise this resource for Reading residents.
- 4.9 This restriction is therefore considered to be essential to allow the Authority to mitigate the impacts of London and neighbouring authorities applying similar qualification rules and potentially discharging their homelessness duties within Reading.
- 4.10 This change would better meet the needs of residents of the borough by giving them greater opportunity to access social housing and ensuring that those who have recently come to the borough or who are temporarily staying within the boundaries do not get priority over longer term Reading residents in accessing social housing.

It is proposed that RBC considers a 3 year residency requirement for applicants to the Housing Register, thus requiring applicants to have lived continuously within the borough boundaries for the previous 3 years.

4.11 Exceptions

4.11.1 It is recognised that there is a need for some exceptions to this to be applied. The consultation specifically asked whether respondents felt that exceptions should be applied for two groups:

- those with a family connection to Reading
- those who are working in the Borough.

4.11.2 The need for exceptions was supported by discussion with the focus group who although overwhelming in favour of a residency restriction, also expressed concern over a blanket policy and lack of flexibility for households who may have family in the Borough or a specific need to live in Reading.

4.12 Family Connection

4.12.1 In order to mitigate any impact this change may have for people who have been historically resident but have recently moved out of the Borough, the consultation proposed that the residency requirement would allow those with a family connection to remain eligible to apply to the Housing Register.

4.12.2 Applying a family connection will ensure that those with a close relative living in the area will be able to access the Housing Register, thus enabling family carers or those requiring support from relatives living in Reading to register for social housing.

4.12.3 This was further supported in the overall consultation, with 73% of respondents agreeing that people who live outside the Borough but have a close family member already living in the Borough should be allowed to apply.

4.13 Work

- 4.13.1 In order to allow people who are working but not living in the borough to apply for social housing the consultation asked whether there should be an exception to the residency requirement to allow those with employment in Reading to remain eligible to apply to the Housing Register.
- 4.13.2 *61% of respondents felt that working within the Borough in itself should not give potential applicants access to register for social housing.*
- 4.13.3 This response is not insignificant in its opposition to exemptions based on work. Whilst this is the case, it should be noted that there are applicants who demonstrate a long term commitment to the town through working in Reading and contributing to the economy. In this case, it would seem appropriate to support economic migration into the town whilst taking into account the consultation response. Therefore it is proposed that where applicants have worked in continuous employment in Reading for more than 3 years, they should be given access to apply to the Housing Register.

4.14 Other Exceptions

4.14.1 *The consultation asked respondents if there were additional circumstances that should be taken into account when developing exceptions to the qualification criteria. The top 5 are listed below:*

- *Survivors of domestic violence or harassment*
- *Gurkhas and ex armed forces*
- *Key workers*
- *Carers*
- *People with disability or elderly people*

Please note - ex Armed Forces members and survivors of domestic violence are already exempt from this through legislation.

4.15 It is proposed that exceptions to the 3 year residency requirement are made for new and existing households to the Housing Register in the following circumstances:

- Applicants with a close family connection (parent, sibling, and adult children who have been resident in the borough for 3 years), including those needing to formally care for more distant relatives.
- Applicants who have worked within the Borough for a period of 3 years.
- Recent survivors of violence or harassment - i.e. those in a refuge in Reading.
- Applicants to whom the local authority has a legal obligation to accommodate - homeless households owed a Part 7 duty.
- Applicants with other exceptional circumstances.

4.16 It is proposed that this qualification criterion would apply to both existing and new applicants to the Housing Register. There are currently over 1000 applicants on the Housing Register who live outside the Borough, these existing applicants would be written to, to be advised of a 6 month 'transition period'. After which time these applicants would be further contacted and requested to provide information to allow their circumstances to be reassessed.

A2 Previous Tenancy Management Issues

- 4.17 Whilst Reading Borough Council always works hard to support tenants to maintain their tenancies and avoid households falling into arrears, unfortunately there are a small number of cases that may result in eviction. It is proposed that only very significant issues that have lead to eviction should prevent a household from re-applying to the Housing Register - this would be significant and persistent anti-social behaviour or rent arrears.
- 4.18 The Localism Act removed this category from national eligibility rules to allow Local Authorities to decide on this issue locally - currently these households may apply for social housing but are placed into Band F and not given any preference for re-housing. This alteration would not significantly change the position for these applicants, but rather clarifies Reading Borough Council's legal position.

Consultation responses on this issue strongly supported this position with 94% of respondents agreeing that applicants should be restricted for at least 1 year.

	<i>Number</i>	<i>%</i>	<i>Comment</i>
<i>1 year</i>	<i>51</i>	<i>26</i>	
<i>3 years</i>	<i>86</i>	<i>44</i>	
<i>Other</i>	<i>60</i>	<i>31</i>	<i>Varied between 6 months to 10 years, with a number of responses implying people should never be allowed to reapply. Several comments suggesting should be determined on a case-by-case basis.</i>

As shown there was a considerable preference for restricting households for a longer timeframe than 1 year, with 44% of respondents suggesting 3 years as suitable.

- 4.19 It is proposed that Reading Borough Council prevents applicants from registering for social housing for 3 years if they have been evicted from a social rented tenancy due to a tenancy management issue, unless there are exceptional or mitigating circumstances that apply.

A3 Repeat Bidding

- 4.20 The current Allocations Scheme allows households to bid for and refuse as many properties as they choose to. A small number of applicants place bids for properties with no intention of accepting an offer, which can significantly increase the length of time for which a property is left empty, having financial implications and disadvantaging other applicants.
- 4.21 Over 6 months of 2012 there were 252 refusals of council properties, whilst many of these were for legitimate reasons, there are a small number of applicants, approximately 20, who make up a large percentage (approximately 30%) of the overall refusals by repeatedly bidding for and refusing properties.
- 4.22 *The consultation found that 89% of respondents agreed that the Council should limit the number of times that applicants can refuse an offer of housing.*

- 4.23 *51% of respondents felt that 3 refusals in a 6 month period warranted some kind of sanction.*
- 4.24 *Sanction - There was no overwhelming preference for the type of sanction that should be applied to these applicants with 42 % of respondents suggesting that households should be removed from the Register and 50% noting that applicants should lose their current priority on the Register.*
- 4.25 *When asked whether there were any alternative sanctions that should be applied, responses were varied, including suggestions for improving the current system, including the following:*
- *Better adverts to show suitability of property*
 - *Better standard of property*
 - *Review the current need of the applicant - to ensure the Council has accurate information about the level of need of households who are refusing.*

Please note - these comments are relating to actions that are either already being improved upon or will be taken into account in developing future practice

- 4.26 **It is proposed to prevent applicants from accessing the Housing Register who bid for and subsequently unreasonably refuse 3 properties over a 6 month period, for a period of 1 year.**

4.27 **Appealing Qualification Decisions:**

A 'Request to Review' process allows applicants to appeal decisions of eligibility made under the Allocations Scheme. This includes any qualifying applicant decisions introduced by the Localism Act.

B Changes to Band F

- 4.28 Most people on the Housing Register have little or no prospects of securing social housing. Currently those who do not have a recognised need and do not fall into any reasonable preference categories have the lowest level of priority and are awarded Band F - no priority for housing.
- 4.29 In Reading, approximately half of the applicants who have applied for housing are in the lowest category of priority as they are considered to already live in adequate accommodation. It is proposed that this band is renamed from 'Band F' to 'No priority' to set clearer expectations about applicants' chances of re-housing.

84% of respondents felt that the Council should re-name Band F to No Priority.

- 4.30 **It is proposed that 'Band F' is renamed to 'No Priority' to set clearer expectations about applicants' chances of re-housing.**

5. NEXT STEPS

- 5.1 It is proposed that, subject to approval, a new Allocations Scheme is drafted to incorporate these changes.

5.2 The revised scheme will be published for consultation in January 2014 for a period of 6 weeks.

5.3 It is intended that the new scheme will be enacted from 1st April 2014.

6. CONTRIBUTION TO STRATEGIC AIMS

6.1 This report sets out proposals which aim to support the Council's strategic aims, by ensuring that the Allocations Scheme is reviewed to promote equality, social inclusion and a safe and healthy environment for all.

6.2 In addition the proposals in this paper support the Sustainable Community Strategy for Reading by supporting the delivery of Decent and Affordable Housing.

7. COMMUNITY ENGAGEMENT AND INFORMATION

7.1 Any significant change to a Local Authority Allocation Scheme is accompanied by a requirement to consult. The Code of Guidance issued by the government recommends that the consultation process involves the broad community but only requires the Local Authority to consult with Registered Housing Providers.

7.2 It is proposed that consultation is carried out with tenants, housing register applicants and key stakeholders, including Registered Providers on the draft scheme in January 2014.

8. EQUALITY IMPACT ASSESSMENT

8.1 This will be carried out prior to consulting on the new Scheme.

9. LEGAL IMPLICATIONS

9.1 Local authorities must administer the allocation of social housing in line with Part 6 of the Housing Act 1996. The Localism Act 2011 does not replace this legislation but rather amends certain sections. The changes were published by Department for Communities and Local Government in 'Allocation of Accommodation: guidance for local housing authorities 2012'.

9.2 Any consultation will be in line with the Allocations Code of Guidance, there are no anticipated inconsistencies resulting from the DCLG consultation on the draft guidance: Providing local Homes for Local People 2013.

9.3 Failure to follow statutory provision may lead to legal challenge and could result in judicial review or referral to the Local Government Ombudsman.

9.4 As noted, there is a legal requirement for the Local Authority Allocations Scheme to have a process to allow for a 'Request for Review' on decisions of eligibility. The

scope of the review obligation has extended and should now include any qualifying applicant decisions introduced by the Localism Act.

10. FINANCIAL IMPLICATIONS

10.1 None at this stage.

11. BACKGROUND PAPERS

11.1 Communities and Local Government: Allocation of accommodation: guidance for local housing authorities 2012.