

# **The Review of Thurrock Council's Allocation Scheme Task and Finish Panel Report**

*To provide access to accommodation that is responsive to the needs of local people in a fair, consistent and transparent way.*

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## Introduction

A report was presented to the Health & Wellbeing Overview & Scrutiny consultation of the allocation scheme. It was decided that a Task & Finish Panel be set-up to explore in depth the question, who should the council house, by analysing the current outcomes from the current allocation policy.

The task & finish panel sought to understand the current demand and needs from the community for affordable rented housing and have made recommendations on who should be housed in the new allocation scheme.

## Membership

The panel met five times was made of the following members:

	Number of session attended
Cllr Anderson (Chair)	4
Cllr Kiely	0
Cllr Ojetola	4
Cllr Okunade	5

## 1 Background

Social housing provides a safety net for those in need, granting them secure tenancies at below market rents. Legislation determines those who should have priority to access social housing, yet the open housing waiting list has meant most people could apply to go on the waiting list regardless of their housing needs.

The legislation governing the “allocation” of social housing is designed to give priority to those in the greatest housing need. It applies to local housing authorities when they allocate to their own stock or nominate someone to accommodation owned by housing associations. Local housing authorities have to maintain and publish an allocation scheme which sets out their procedures and priorities for allocating housing, and the scheme must be framed to give “reasonable preference” to certain categories of people in particular housing need.

Local housing authorities can now set their own local priorities for the allocation of social housing and can decide who eligible to join the housing register.

## 2 Vision

The propose vision of the allocation scheme is:

*To provide access to accommodation that is responsive to the needs of local people in a fair, consistent and transparent way.*

## 3 Objective of the allocation scheme

The new allocation scheme should give clear and consistent messages on which groups have a realistic chance when they register on our waiting list to be housed.

The scheme should support our corporate priorities for economic regeneration, high quality services, and community pride, and tackle health inequalities.

#### **4 Recommendations**

The Allocation Scheme Task & Finish Panel recommends:

1. For the housing register be closed.
2. That the Allocation Scheme to have a more focused waiting list which better reflects local circumstances and can be understood more readily by local residents by:
  - a. Setting clear eligibility criteria;
  - b. Reserving a proportion of properties for Transfer applicants to ensure that they have an equal or greater chance of being allocated a property compared to new applicants.
  - c. Providing financial incentives to encourage under-occupier to tenants to downsize.
  - d. Reserving a proportion of properties for Working households to ensure that they have an equal or greater chance of being allocated a property compared to non-working applicants.
  - e. Giving appropriate additional priority to ex service men and women in accordance with the principles laid down in the Council's Veterans Charter.
  - f. Providing an annual report on lettings outcomes to Overview & Scrutiny.
3. A new allocation scheme embodying the principles contained in this report to be recommended to Cabinet.
4. That this report is provided alongside the report to Cabinet on the new allocation scheme.
5. Officers to provide an annual report to be provided to Overview & Scrutiny on the allocation scheme.

Alongside the allocation of council housing, the panel also looked at issues that impact on the allocation scheme and have made additional recommendations:

6. That the Council develops a range of home ownership and part-ownership options to encourage those households who can afford to buy with support to move-on from social housing.
7. That the type of tenancies offered in the future should be based on the circumstances of the household. Shorter term tenancies should be used where it is reasonable to expect that there may be a change in the household's circumstances in future.
8. That the council's new build programme should have a mixed offer that includes rented and home ownership/part-ownership options.

9. Officers to develop a downsizing scheme which offers a menu which would include financial incentives and officer support.

## **5 Discussion**

The panel analysed a large quantity of data and reports provided by officers. The panel worked through a number of issues and reviewed the results from the public consultation. A summary of the lettings during 2010/11 is set out in appendix A.

### **5.1 Current situation**

On average there are between 4500 - 5000 applicants waiting for accommodation in Thurrock. In 2010/11, 831 properties became available. 552 went to new tenants and 281 went to current tenants. At any one time there is on average 200 households with a priority (i.e. gold or silver bands). The majority of new lets go to non-priority cases classified as adequately housed but wanting to move. Therefore, there is capacity to decide locally who is entitled to social housing and to still meet the requirements of households in priority need.

#### *Summary*

It was concluded that the council could identify additional local needs and it would not have a negative impact on the current priority cases on the waiting list.

The panel wanted to support economic regeneration by making sure applicants who work are recognised in the new scheme. It also wanted the policy to tackle health inequalities by identifying long term and short term housing needs with a health dimension to them. The panel formed the view that social housing should be used to support households with urgent long term housing need by giving longer tenancies. There should be a shorter term option for those with urgent but short-term housing needs which should be met through fixed length tenancies.

Below are the main changes the panel have recommended with officers for the new allocation scheme.

### **5.2 Criteria to join the register**

All applicants will be required to meet a set of criteria before they can join the register. Closing the register means that applicants will have to prove a local connection as well as meeting a number of other tests which are set out below.

#### **Local Connection - any one of the following:**

1. Residence within the borough for at least 3 out of the past 5 years
2. Current employment within the borough for at least 16 hours per week. The employment must be permanent or at least one year's temporary contract with the same employer which is envisaged to continue. If an applicant loses employment but gains further employment within the

borough within the next 12 months the application can be reinstated with no loss of accrued waiting time.

3. Family connections within the borough - family member who currently lives in the borough and who has done so for at least the past 5 years.

“Family member” means mother, father, grandmother, grandfather, son, daughter, full brother or sister.

4. Other special reasons would be in cases where the applicant does not meet any of the criteria listed above but have a specific and urgent need to move to the borough. For example, where an applicant needs to move to the borough to receive specialist treatment or education, or to flee violence and no other borough is deemed safe.

### ***Financial means***

Applicants should be on a low income with insufficient means or assets to meet their own housing needs:

1. Savings below the limits set for housing benefit;
2. Set income limits.

### ***Behaviour***

Where an applicant or member of the household have been guilty of antisocial behaviour in the past, they will not qualify unless there is evidence of a sustained period of at least one year of changed behaviour.

### ***5.3 Balancing the needs of new and existing tenants***

The new scheme seeks to balance the needs between new and existing tenants.

- Existing tenants who do want to move but are not in a “reasonable preference” group will be offered a percentage of available lets to ensure as far as possible that they have an equal or greater chance of being allocated a property compared to new applicants. Properties will be offered for one bidding cycle only, and properties offered but not let will be counted towards the total. The initial figure to be set at 25%, and reviewed annually to ensure that the desired outcome is being achieved.
- Providing greater flexibility for current tenants who want to down-size from a 3 or more bedroom property to a 2-bedroom, and not just to a 1-bedroom which was the previous policy.
- Officers to develop a financial incentive scheme to reduce under-occupation by making it financially possible and attractive to downsize.
- Support households in low paid employment by offering a percentage of available lets to ensure as far as possible that they have an equal or greater chance of being allocated a property compared to non-working applicants. Definition of ‘employment’ to encompass voluntary work. Properties will be offered for one bidding cycle only, and properties offered but not let will be counted towards the total. The initial figure to be set at 15%, and reviewed annually to ensure that the desired outcome is being achieved.

#### 5.4 *Mobility*

There needs to be a range of products that helps tenants to move on from the social housing system as their needs change, thus freeing up properties for waiting applicants. The system must also avoid the situation where housing is allocated based on needs such as family or financial circumstances, but then becomes a permanent entitlement even after those circumstances have changed. This will be achieved through the development of a flexible/fixed term tenancies policy, to be developed by officers, and greater range of home ownership and part-ownership products aimed at tenants and waiting list applicants who could purchase with some support.

#### 5.5 *Maintaining a safety net*

The allocation scheme must still take account of the 'reasonable preference' cases. The Localism Act allows councils to discharge their homeless duties into the private sector where appropriate. The council operates a Landlord Accreditation Scheme, whose purpose is to drive up the performance of private landlords.

The panel identified two main types of urgent need:

- 'Chronic' urgent need that is ongoing in nature, such as housing for pensioners or those with disabilities;
- 'Acute' urgent need which is temporary in nature and/or could change over time, such as homelessness cases, larger households with children (who will not need multiple bedrooms indefinitely), young adults, and households composed of multiple individuals and family units (whose domestic arrangements may change again).

The service should look to provide stability and reassurance to those groups whose need is urgent and ongoing for an indefinite period. Where the need is urgent but could change with time, then time limited support should be provided. An example is homeless cases, which require support for a period of time but their circumstances could change e.g. employment.

Where private tenancies can be arranged, the service should seek to discharge its duty via the private sector in order to avoid a perception of 'queue jumping' though urgent circumstances, but it is recognised that homeless applicants will still be one of the reasonable preference groups.

#### 5.6 *Veteran's Charter*

The Veterans' Charter acknowledges that service veterans may have issues that can impact on their well-being and affect their adjustment to civilian life. Some of the barriers experienced by veterans when returning to civilian life cover the whole welfare sector including:

- access to housing;
- claiming benefits;
- breaking into social networks;
- seeking employment or retraining;
- coping with any disability caused as a result of time serving in the armed forces.

Members of the armed forces (including former service personnel making an application within 5 years of discharge) will not be disqualified on residence grounds if they do not meet the 5 year residence rule.

In recognition of new legal requirements, the allocation scheme identifies former members of the armed forces who qualify for a priority under the 'reasonable preference' groups (homeless, overcrowded, insanitary conditions, medical or welfare grounds or need to move to particular location) to be given a further additional preference. An additional priority will thus be awarded where their housing need is urgent.

In addition former members of the Armed Forces, who have registered an application within one year of leaving the Force and meet all of the normal eligibility criteria (including local connection but with the 5 year residence test being counted from their date of joining up and not the application date), will be entitled to have their effective date backdated by the number of years in which they served in the Forces – up to a maximum of ten years.

The normal financial tests will apply. But where financial compensation has been received due to injury sustained on active service, that element will be disregarded from any financial qualification.

## **6 Conclusion**

The Task & Finish Panel considered the outcomes from the consultation while at the same time focusing on developing a flexible balanced allocation scheme that best meets the needs of new and existing tenants. By doing this the panel have made a number of recommendations on who the council should house.

In working through the questions, the panel have been mindful of the complexity of developing an allocation scheme. It is important that Members understand the scheme and have recommended an annual letting report detailing current stock, property type and size and which groups are housed. This will enable Members to evaluate the performance of the scheme, provide realistic expectations to applicants, and make recommendations for changes to allocation percentages in order to meet the objectives for which those specific allocations are set.

The panel recommends the new allocation scheme in accordance with the principles contained in this report to Cabinet.

## **7 Background Papers**

- Draft Allocation Scheme V1
- Housing Allocation Scheme Consultation Questionnaire
- Briefing Paper 1: The Allocation Consultation
- Briefing Paper 2: Allocations – Who do we currently house?
- CLC Allocation of accommodation: guidance for local housing authorities in England Consultation



- HQN: An overview of the Localism Act 2011 and its significance November 2011
- Thurrock Council Allocation Scheme – Key Changes V2
- Briefing Paper 3: Response to a number of questions from the previous meeting.

## 8 Appendix A - The analysis of lettings<sup>i</sup>

- Existing tenants constitute marginally more than a one third of the applicants housed.
- Direct Offers are kept to the minimum, around 2%.
- The majority of applicants housed are from the Bronze band (55-60%). The bronze band constitute households who are already “adequately housed”.
- The numbers of applicants awarded priority band is around 217- 226. However until June 2010, applicants housed with a lower priority were more likely to be non-tenants (in a ratio of 2:1), this has dropped post-June 10 to a ratio of 3:2.
- The numbers of applicants awarded a higher priority has gone up post-June 10, note worthy that non-tenants only represented a 1/5th of those awarded a priority and then 1/4th post-June 10.
- Applicants identifying themselves as white represent around 91% of applicants housed, applicants identifying themselves as black are the second largest groups amounting to 5%. The non-white population in 2007 was estimated at 10%<sup>1</sup>
- Applicants requiring a move on medical grounds are the largest group awarded a priority (around 28%).
- Homeless applicants needing to be re-housed are the second largest group 19 - 14%.
- The third largest group is applicant encouraged to downsize, this has increases from 10% (41) to 14% (44)
- Applicants needing to move because of the condition of their property has fallen by third from around 10% to 6.6%.
- Tenants requiring a move for Estate Management reasons or the condition of their property amount to around 10% of applicants housed.
- Female applicants tend to represent 3/5<sup>th</sup> of lead-applicants housed *vis a vis* male applicants representing 2/5<sup>th</sup>.
- Core Data<sup>2</sup> indicates that 66% of applicants housed in general needs are not economically active. This increases to around 90% in sheltered accommodation.
  - 15% of households in general needs accommodation had at least one member with a disability compared to 38% in Sheltered accommodation
  - Around 90% of applicants disclosing their ethnicity are white (and 95% in sheltered accommodation)
  - The main reason for moving to a sheltered accommodation is the need for supported housing and because their property was unsuitable due to the poor condition of their home.

### *Waiting Times*

- 1 bedroom flat with realistic bidding with no priority has a waiting time 18-24 months.

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<sup>1</sup> Thurrock Single Equality Scheme 2012

<sup>2</sup> Core Data obtained on 4.1.12

- 2 bedroom flat with realistic bidding with no priority have an average waiting time 3 years.
- 3 bedroom flat with realistic bidding with no priority have an average waiting time 3-4 years.
- 3 bedroom houses in a low demand area and with no priority have an average waiting time 4 years.
- It is noted that, in contrast to the new housing needs analysis which shows significant demand for small flats, the longest waiting times on the Council housing list are for larger flats and houses.

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<sup>i</sup> The analysis was based on data obtained from the offers of accommodation made in a period of 2 years, the 12 months leading to the end of the transitional period and 12 months post the latter period i.e. June 2010.

The margin of error is no larger than 2.5%

The data are parallel-analyzed on the basis of pre and post June 2010.

CBL was introduced in 2006 with a transitioning period allowing tenants to bid for 50% of the houses becoming available. This ended in June 2010. Therefore the sample analyses the immediate period before and after the ending of the transitional arrangements.