
Meeting	Business Management Overview and Scrutiny Committee
Date	20 November 2012
Subject	Housing Allocations Scheme Update
Report of	Head of Strategy and Performance
Summary	This report provides an update on the Council's Housing Allocations Scheme implementation.

Officer Contributors	Pam Wharfe, Interim Director of Environment , Planning and Regeneration Paul Shipway, Head of Strategy and Performance Chloe Horner, Housing Strategy and Business Improvement Manager
Status (public or exempt)	Public
Wards Affected	All
Key Decision	N/A
Reason for urgency / exemption from call-in	N/A
Function of	Business Management Overview and Scrutiny Committee
Enclosures	Appendix 1: summary of changes to the scheme in April 2012
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1. RECOMMENDATIONS

- 1.1 That the Business Management Overview and Scrutiny Committee note and comment on this update on the Housing Allocations Scheme.**

2. RELEVANT PREVIOUS DECISIONS

- 2.1 Cabinet approved the existing Housing Strategy on 12 April 2010 (decision item 8) including a target to review the Council's Housing Allocations Scheme.
- 2.2 Cabinet approved an update of the Housing Strategy to incorporate the Council's approach to social housing reform on 12 September 2011 (decision item 6).
- 2.3 Cabinet approved the existing Housing Allocations Scheme on 10 January 2011 (decision item 7) following an extensive period of consultation.
- 2.4 Cabinet considered the majority and minority reports of the Housing Allocations Overview and Scrutiny Panel on 10 January 2011 (decision item 6) and agreed with the recommendations made in the majority report.
- 2.5 Following a review Cabinet approved revisions to the Scheme on 4 April 2012 (decision item 5).
- 2.6 Business Management Overview and Scrutiny Committee on 31 July 2012 (decision item 9) considered an update on the implementation of the recommendations made in the majority report of the Housing Allocations Overview and Scrutiny Panel, as agreed by Cabinet on 10 January 2011.

3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 3.1 The Council's Corporate Plan 2012/13 includes as corporate priorities "Sharing opportunities, sharing responsibilities" and "Better services with less money". The revised Housing Allocations Scheme provides a more efficient housing service with better outcomes for customers in high housing need. It also contributes to "Successful London Suburb" by recognising the contribution that people who work or volunteer make to the community.
- 3.2 The Council's Housing Strategy 2010 to 2025 identifies the importance of helping more people in low paid employment and training to gain access to social housing under the objective to "Promote mixed communities". The strategy also recognises that the private rented sector can be a positive housing choice for people in housing need and that the Housing Allocations Scheme should reflect that.
- 3.3 The Localism Act¹ contains a number of provisions to give local authorities new freedoms and flexibility on housing matters, including the ability to determine the classes of person who may qualify for housing assistance in their area and to discharge its duty to homeless households by offering a

¹ Enacted on 15 November 2011

home in the private rented sector. The Housing Allocations Scheme has been revised to enable the Council to make use of these new powers.

- 3.4 Responsibility for the operation of the Housing Allocations Scheme was transferred over to the Council's arms length management organisation Barnet Homes in April 2012.
- 3.5 The Housing Allocations Scheme complements the Council's Local Tenancy Strategy which moves away from the idea of lifetime tenancies for council homes and encourages households to be less dependent on the Council in the provision of their housing. This will ensure that the limited supply of council housing is used in the most effective way.

4. RISK MANAGEMENT ISSUES

- 4.1 The Housing Allocations Scheme has been in operation since April 2011 and has not yet faced external legal challenges to decisions that the Council has made under the Scheme. To help mitigate risks of challenges the Council consulted with stakeholders, in particular with Housing Association partners and community representatives in the voluntary sector before the scheme was introduced. Independent legal advice was also obtained on the changes to the Housing Allocations Scheme to make sure that it was compliant.
- 4.2 From time to time the Council will need to allow for further adjustments to the scheme to take account of any challenges that are made on a case by case basis.

5. EQUALITIES AND DIVERSITY ISSUES

- 5.1 A full Equalities Impacts Assessment was undertaken before the Housing Allocations Scheme was implemented and an action plan has been developed to mitigate the risks. The main equalities issue was pertaining to the introduction of a two year local connection criteria, with the greatest impact on people aged 30 to 50. The actual number of households affected was small and the use of local connection means that limited resources can be focussed on the households in the highest housing need.
- 5.2 Periodic sampling is used to monitor impacts. There have not been any specific issues yet, but this will be reviewed as part of an equalities action plan.

6. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)

- 6.1 There are no direct resources implications from this report. There is a limited supply of social housing in Barnet and the Housing Allocations Scheme ensures that resources are directed at the people in the highest housing need.

7. LEGAL ISSUES

- 7.1 Legal advice has been received about the detail of the Housing Allocations Scheme to ensure that it is legally robust.
- 7.2 Section 122 of the Local Government and Public Involvement in Health Act 2007 amended the Local Government Act 2000 by inserting a section into it which places a duty on the executive to respond to overview and scrutiny committees where the committee makes a report or recommendations to the executive.

8. CONSTITUTIONAL POWERS (Relevant section from the Constitution, Key/Non-Key Decision)

- 8.1 Council Constitution, Article 6 - details the scope of the Council's Overview and Scrutiny Committees.
- 8.2 Council Constitution, Overview and Scrutiny Procedure Rules - details the terms of reference of the Council's Overview and Scrutiny Committees. The Business Management Overview and Scrutiny Committee has within its terms of reference responsibility for "...the review of the policy framework and development of policy and strategy not within the remit of other overview and scrutiny committees".

9. BACKGROUND INFORMATION

- 9.1 Barnet Council implemented a new Housing Allocations Scheme in April 2011 which was reviewed in November 2011. The Housing Allocations Scheme was subsequently reviewed in the light of the permissive reforms set out in the Localism Act 2011. Changes to the Scheme were proposed and consulted upon during January and February 2012. Cabinet agreed a revised Scheme on 4 April 2012. This was implemented immediately.
- 9.2 The April 2011 Scheme involved the closure of an open waiting list so that the Council no longer keeps the details of people who it is unable to help on a list and the use of four simple bands² instead of a complicated points system. The Council is honest with applicants about whether or not it can help. Where this is not possible the Council offers advice and support to households to help them access housing in the private rented sector. Banded applicants may also be offered a home in the private rented sector where this meets their housing needs. The Scheme also recognises the community contributions from people also in housing need, such as applicants who work, volunteer, are training for employment, foster caring or former service personnel.

² Bands:

Band 1	Reasonable preference:	Urgently need to move
Band 2	➤ Homeless	Need to move plus community contribution
	➤ Unsanitary/overcrowded housing	
	➤ Medical/welfare disability	
Band 3	➤ Hardship reasons	Need to move only
Band 4	People who would fall into a higher band but have reduced preference	

- 9.3 A number of changes were made in April 2012 and these are listed in Appendix 1. There were two key changes arising out of the Localism Act that enabled the Council to focus resources on applicants in the highest housing need. Firstly, some types of applicants were excluded from the banding system, including applicants with no local connection and applicants found to be intentionally homeless. Secondly, the rules on local connection have also changed so that applicants normally have to have lived in Barnet for at least two years to be eligible for housing. Placement into temporary accommodation (TA) in Barnet by another borough will not normally count while placement into TA in another borough by Barnet normally will.
- 9.4 The Table 1 below shows how many people were banded and housed in social housing (council and housing association homes) since April 2011, and from which band they were housed from.

Table 1- Households in bands April 2011 to September 2012

	Band 1	Band 2	Band 3	Band 4	Total
Number of households placed in band	147	351	452	106	1,056
Number of households in band housed in social housing	103	215	102	9	429
% of band housed in social housing	70%	61%	23%	8%	41%

- 9.5 The households in the most urgent housing need are placed into band 1 and almost three quarters of these households have been allocated and moved into social rented homes. By law priority for housing has to be given to households in the highest housing need. There is a limited supply of social housing available so it makes sense that a higher proportion of households from the highest housing need band have been allocated social housing than in any of the other bands.
- 9.6 Band 2 contains more applicants (a third of the total) than band 1 and includes households who are in priority need and need to move because their existing home is not suitable. To be placed in band 2 it is normally a requirement that the applicant is making a community contribution. 52% of these applicants have received a community contribution award because they are working. 152 working applicants have been re-housed into social housing since April 2011.
- 9.7 Band 3 which is for people who would be in band 2 but do not make a community contribution contains the largest number of households. However, 102 households have been housed in social housing from this band since April 2011.

- 9.8 Very few households have been housed in social housing from band 4 and in the majority of cases these households will only be offered homes in the private sector.
- 9.9 Another key feature of the Scheme is the case management approach instead of the traditional Choice Based Lettings approach. Officers make a housing assessment of applicants and then find suitable accommodation for them from the properties that are available, whether it is the social or private sector. There is some evidence that the case management approach is having a positive affect on void times of council owned homes. These were increasing substantially before the Scheme was implemented in April 2011, and have now reduced significantly, as can be seen in the Table 2 below:

Table 2- Average void time in days

2004/5	2005/6	2006/7	2007/8	2008/9	2009/10	2010/11	2011/12	2012/13 to Sept
29.12	27.11	27.4	27.9	28.44	52.4	59.91	28.31	20.42

- 9.10 In November 2012 a Statutory Instrument comes into effect relating to the suitability of accommodation, in particular, additional health and safety requirements for reasonable offers in the private rented sector when councils are discharging homelessness duty. Some minor changes to the Housing Allocations Scheme will be required as a result of this and will be made under the Cabinet Member's delegated authority.
- 9.11 The recommendations of the Housing Allocations Overview and Scrutiny Panel have been completed and were reported to the Business Management Overview and Scrutiny Committee on 31 July 2012.
- 9.12 The next programmed full review of the Housing Allocations Scheme is by April 2014.

10. LIST OF BACKGROUND PAPERS

- 10.1 None

Cleared by Finance (Officer's initials)	JH/MC
Cleared by Legal (Officer's initials)	PM