

BABERGH DISTRICT COUNCIL

FROM: THE HOUSING PANEL

REPORT NUMBER: **G209**

TO: STRATEGY COMMITTEE

DATE OF MEETING: 6 March 2008

BABERGH'S CHOICE BASED LETTINGS SCHEME - PROGRESS AND POLICY CHANGES

Please note that a DVD presentation about the new scheme will be made to members prior to this report being considered

1. **PURPOSE OF REPORT**

- 1.1 The Council approved plans (Paper F59) to replace our 'points based' Lettings Policy with a Choice Based Lettings Scheme; to be developed with our partners within the Greater Haven Gateway sub region. This work has now been completed and a new sub regional Choice Based Lettings scheme has been created. In order to implement the sub regional scheme it is necessary for all individual partners to change their Lettings Policies. These policies determine the housing need of applicants and govern the way in which social housing is allocated. This report seeks formal approval to change the Council's existing lettings policy.

2. **RECOMMENDATIONS**

- 2.1 That the revised lettings scheme as set out in Paragraph 6 and Appendix 1 be approved.
- 2.2 That the cross boundary mobility arrangements as set out in Paragraph 7 be approved.

The Committee is able to resolve this matter.

3. **FINANCIAL IMPLICATIONS**

- 3.1 The new policy has no financial implications. The cost of implementing the scheme is being significantly reduced as a result of efficiencies generated by procuring and using a common IT system as part of this shared service partnership. This includes sharing the expertise of a dedicated Project Manager and the use of as much common processes as possible.
- 3.2 The reduction in direct costs to the Council is also offset by the allocation of a £132,000 government grant to the partnership and which officers have estimated to offset as much as 60% of the capital costs of the project.
- 3.2 The actual delivery costs will become known once the procurement process for the common IT is completed in April 2008. The necessary budget approval has already been agreed. These costs will be met from the Housing Revenue Account.

4. **RISK MANAGEMENT**

4.1 This report is most closely linked with the Council's Significant Business Risk No. 3 Strategic Partnerships. The key risks are set out below:

Risk Description	Likelihood	Seriousness or Impact	Mitigation Measures
Key decisions needed to implement scheme are not approved or delayed.	Low	Critical - this would delay our implementation plans. The partnership could decide to proceed without Babergh. This would leave us exposed and vulnerable to deliver within time and on cost.	The Housing Panel have been involved throughout the planning stage. Extensive consultation has been undertaken and demonstrated support to the policy. The Project Manager has undertaken intensive research of existing schemes and incorporated good practice throughout. The government special advisor has also supported the ongoing development of the scheme and has declared the policy "fit for purpose"
Committee requests fundamental changes to the policy.	Low	Critical - such changes may not be supported by the partnership. This would leave us exposed and vulnerable to deliver within time and on cost.	Member events held by the partnership. Project Manager has supported planning events and briefed senior politicians. Committee briefings consistent and highlight specific risks

5. **KEY INFORMATION**

5.1 Council has already approved plans (Paper F59) to develop a Choice Based Lettings scheme with our partners within the Greater Haven Gateway sub region. This is the partnership is made up of Ipswich, Mid Suffolk, Suffolk Coastal, Maldon, Colchester, Tendring and Braintree local authorities.

- 5.2 It was agreed that a report for Strategy Committee on the implementation details, including support for a revised Lettings Policy, would be referred back to this Committee for approval in early 2008. All the other partners will also be seeking approval to the same recommendations to ensure that the scheme can move forward and become fully operational by the end of 2008.
- 5.3 The complex nature of the project and the liabilities for each partner if the scheme fails necessitated a need for a Memorandum of Understanding to establish clarity around the governance, project management and responsibilities of each of the partners. The Council's solicitor is authorised to sign this agreement.

6. **THE REVISED LETTINGS POLICY**

- 6.1 A local authority Lettings Policy is used to assess who is eligible to join the Housing Register and to ascertain what priority for housing they will receive. Babergh has always used a `points system` for this purpose. A total of 22 factors are used to assess housing need, ranging from acute medical needs and statutory homelessness at the priority end of the scale through to sharing facilities and low-level medical issues at the lower end. Put simply, the more points an applicant has the better chance they have to be housed.
- 6.2 The need for change has been driven by widespread dissatisfaction with these types of policy. They have been criticised for being too complicated and for not delivering satisfactory outcomes. Government has for some time favoured radical changes to these methods to help simplify the understanding of those applying and to enable greater choice. As a result government has confirmed Choice Based Lettings to be the preferred method for allocating social housing. All such schemes must be in place by 2010.
- 6.3 The new sub regional scheme has been agreed after lengthy and detailed deliberation by the CBL Project Board and a 12-week period of consultation. Babergh's Housing Panel has been involved at all key stages in the development.
- 6.4 Under the new scheme, housing applicants will not be allocated points but will be placed instead into one of 5 bands; A to E. Applicants in Band A have the greatest priority and those in band E the least priority. The details of which housing factors are placed within this banding structure are explained in Appendix 1.
- 6.5 Within each of these bands the applications will be placed in date order (normally when the application is first made). The banding scheme ensures that applicants with similar circumstances are in the same band, and that the applicant with the earliest date has the highest priority.
- 6.6 When assessing which band an application is placed in, the scheme will also take into account whether an applicant has a local connection with the sub region. A connection will mean that each of the authorities will afford the application the same level of priority.
- 6.7 People without a connection to the sub-region will be allocated a Band one level lower than their assessed housing need.
- 6.8 Like the Council's current policy, the scheme also includes assessment as to whether the applicants are able to afford to resolve their own housing problems, for example by purchasing a shared ownership property.

7. CROSS BOUNDARY MOBILITY ARRANGEMENTS WITHIN THE SUB REGION

- 7.1 The government's policy objective for CBL is that they are developed on a sub regional basis, involving a partnership of local authorities, Housing Associations and, where possible, private landlords in order to achieve the greatest choice and flexibility in meeting need. Government funding for the Greater Haven Gateway partnership was provided on condition that our scheme allowed freedom of movement.
- 7.2 The partnership believe that it is both reasonable and practical to establish a system which allows the majority of properties within the sub region to be open for selection by applicants with a connection to the sub region. This unrestricted freedom of movement option was discussed in detail by the Project Board members and formulated on the basis of evidence both from a number of pilot CBL schemes and also the successful sub regional grant recipients from 2006.
- 7.3 Despite understandable concerns that this would lead applicants in high demand areas, in our case Ipswich and Colchester, to select homes in areas with less demand they have concluded that the average amount of cross boundary mobility remains fairly static at 5%. The evidence also indicates that mobility is more prevalent around the administrative boundaries and where, for instance, schools and health services catchment areas do not reflect the limitations of two- tier local government.
- 7.4 Evidence gathered as part of the options approach to this issue has concluded that the existing level of movement within current Lettings Systems are already at this 5% level. Therefore, although sub regional mobility could be seen as a radical approach to this issue, there remains some confidence that that this will not result in any of the partners being disadvantaged.
- 7.5 The Project Board recommends that this arrangement be subject to a one-year trial period after which it is reviewed to assess the reality and impact of cross boundary movement. Furthermore, that at monthly intervals during this time, both inward and outward migration will be carefully monitored and adjustments made to the ability of applicants to select homes within a particular local authority area. This would mean that if one authority were disadvantaged more then others, then they could restrict the ability of applicants without a connection to their area to apply until they had fallen back into balance.
- 7.6 There are some exceptions to the cross boundary policy. These are: -
- Rural exception sites (or sites covered under a section 106 agreement) and where a close local connection is a condition of the letting
 - Statutory homeless applicants for whom a local connection at a district level is an essential part of the legal process for determining a local authority duty will only be allowed to select homes in their area
 - Planned “move on” from supported housing schemes where the applicant rely upon continued support as part of their resettlement and move to full independence are only allowed to select homes in their local area.

8. **IMPLEMENTATION PLANS**

It is expected that all necessary `back office` work will be completed to allow the scheme to be launched by the end of the year. A degree of staff restructuring (on a cost neutral basis) has been necessary to ensure the new arrangements operate successfully and these changes are now largely in place. All necessary consultation work about the development of the scheme has been completed. There will be a need to ensure all existing and potential applicants and tenants understand the new system - this is expected to be an on-going challenge, particularly in the early days. The new forms, explanatory leaflets and publicity material about how the new scheme will work and how applications for new housing must be made will be made available in the months prior to the Scheme's formal launch. The Housing Panel will be monitoring the introduction of the new Scheme.

9. **APPENDICES**

(a) The Greater Haven Gateway Banding Policy

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Common Banding Scheme

Appendix A

BAND A		
Description	Reason	What it means for us
Accepted Homeless in severe need	Those people who are homeless but have serious health problems and there is no possibility of being able to find suitable temporary accommodation e.g. homeless and physically disabled or mentally disabled	Under current policy such cases are awarded "priority" points. We deal with an average of 3 such cases each year. Allows us to give additional preference to those in most need and who generally require specialist forms of accommodation. Will provide a way of enabling these people to be housed quickly
High, Severe Medical or welfare	Will apply to people with life threatening conditions and whose present accommodation is unsuitable.	Similar to the "priority" points already awarded for these difficulties. The award requires documentary evidence to be provided as is currently assessed by an independent specialist.
Nominations ("move on")	To allow applicants from supported housing schemes within the District to move into settled accommodation once they have been assessed as able to maintain their independence.	Will be up to us to decide how many "move on" opportunities are agreed. We currently allocate between 15 and 20 each year. It is in Babergh's interest to ensure supported housing schemes are not "silted up" and new people requesting our help can be allocated the spaces that become available.
Tenants Incentive Scheme	Applies to tenants of either Council or Housing Association with 3 or 4 bedroom houses who want to move to smaller accommodation. Those in Band A must release one or two bedrooms.	This arrangement mirrors current policy for making the best use of our stock.
Relationship breakdown	Applies to council tenants only and where the joint tenancy is relinquished by one of the tenants. This will apply where the property being released is too large for the remaining tenant and where they are willing to move to a smaller property.	This arrangement mirrors current policy for making the best use of our stock.

Common Banding Scheme

Appendix A

BAND A		
Description	Reason	What it means for us
Successions	Applies to council tenants who are non-statutory successors and are under-occupying their present property.	Again, this arrangement mirrors current policy for making the best use of our stock
Releasing a property in need (council property)	Will apply to properties which have disabled adaptations, that property is needed for someone and is not needed by the present tenant or could also apply where we need that person to move to an alternative property to prevent us having to make expensive alterations to their existing property	Current policy encourages tenants to consider a transfer but cannot be imposed upon them.
Emergency Prohibition Order under Housing Act 2004	Relates to extreme cases where a property is uninhabitable and the tenant has to be removed from it immediately to prevent serious harm.	Not likely to be very many cases. In most cases the tenants will be provided with temporary accommodation
Multiple Needs	Applies to applicants who have 2 or more assessed needs in Band B.	The law says we must show cumulative needs. Would apply mainly therefore to people with high medical and overcrowding or on transfer incentive scheme and high medical.
Qualifying Agricultural Workers	Workers who are provided with accommodation as result of employment under Rent Agricultural Act 1976 who are being asked to leave their accommodation	Currently awarded "priority" points. Likely to be a very small number. (None in last 6 years)
Negotiated surrender of tenancy	Will apply to Council or Housing Association tenant who are on remand or committed to prison for more than 13 weeks but where they have not broken tenancy conditions.	Stops properties being left and abandoned with no rent being paid. Must be negotiated before sentence.

Common Banding Scheme

Appendix A

BAND B		
Description	Reason	What it means for us
Medium Medical/Welfare award	Where it is assessed that the property is adversely affecting the health or welfare of the applicant and where a move would greatly relieve their problems	Similar to points already issued for medical or social welfare
Tenants Incentive Scheme	Applies to those tenants in 1 or 2 bedroom properties releasing one or two bedrooms	Current policy awards high points to these cases. Makes best use of our stock.
Accepted homeless cases	Statutory homelessness acceptances as determined under primary legislation.	Determined as a reasonable preference group by the government. Such cases must be awarded high priority under allocation schemes.
Applicants threatened with homelessness	Applies to applicants who are in imminent danger of becoming homeless and who would be accepted as statutorily homeless.	This mirrors current policy and is designed to improve the opportunity for applicants to be offered permanent accommodation before they become actually homeless. Accords with homelessness prevention strategy.
Social housing tenants who are overcrowded	Will be applied to applicants who have a boy and girl sharing a room, one of whom is aged 5 or over or where there are two children of the same sex sharing a room where the age gap is more than 8 years would be entitled to an extra bedroom	This is a change to current arrangements where the same level of points based upon a notional bedroom shortfall is applied to tenants in both the social rented and private sectors.
Properties subject a Prohibition order	This applies to privately rented properties with substantial defects, which cannot be remedied.	This accords with current policy arrangements.
Properties subject to an Improvement notice	This applies where tenant cannot remain in the property for significant length of time without suffering potential harm of injury	This accords with current policy arrangements.

Common Banding Scheme

Appendix A

BAND B		
Description	Reason	What it means for us
Applicants assessed as meeting Band A but with no local connection to sub-region	The legislation states that anyone can apply to join a Housing Register and that their needs have to assess under reasonable preference categories. However, we are able to band people with no local connection one band lower	The current policy is out of date and would have to be reviewed in light of these recommendations.
Applicants with multiple needs	Applicants with four or more needs in Band C.	The law says we must give preference to applicants with cumulative need. These arrangements follow a legal challenge to an existing CBL scheme.

Common Banding Scheme

Appendix A

BAND C		
Description	Reason	What it means for us
Low Medical/Welfare award	Applies where the medical or welfare condition is only having a slight effect on the applicant (e.g. asthma)	Similar to points already issued for medical or social welfare
Applicants who are homeless or threatened with homelessness but not in priority need	The law states that these people must have reasonable preference but we are able to determine what preference we give them	The current policy is out of date and would have to be reviewed in light of these recommendations
Notice to Quit	Applies to private sector tenants with less than 3 months notice. Those people in armed services will be put into this band if they are six months away from retirement or have received a notice asking them to leave their accommodation	Cases currently assessed under homelessness legislation.
Homeless applicants who have been deemed to be intentionally homeless	The law states that these people must have reasonable preference but we are able to determine what preference we give them	The current policy is out of date and would have to be reviewed in light of these recommendations
No fixed abode	The law states that these people must have reasonable preference but we are able to determine what preference we give them	The current policy is out of date and would have to be reviewed in light of these recommendations
Fixed term licensees	Applies to applicants in supported housing schemes who are sharing facilities and where there "move on" priority has not been agreed.	Accords with current policy.

Common Banding Scheme

Appendix A

BAND C		
Description	Reason	What it means for us
<p>Overcrowding in either:</p> <ul style="list-style-type: none"> • Private rented accommodation or, • Social rented accommodation outside the sub-region 	<p>Whilst overcrowding is a reasonable preference category, Councils can decide the level of priority afforded based upon the tenure type. Applicants experiencing overcrowding in the private rented sector and those who are social housing tenants but have no connections to the sub region will not be afforded the same level as applicants with connections as Councils will not be able to nominate new tenants to this accommodation.</p>	<p>Where there is severe overcrowding in private tenancies which cannot be resolved by moving to another tenancy and hasn't be caused deliberately, the case could be looked at under welfare grounds to see if they should be given a higher priority</p>
<p>Shared facilities</p>	<p>Applies where applicant shares either bathroom, kitchen or lounge with other people</p>	<p>Current policy recognises need but awards low points.</p>
<p>Lacking facilities</p>	<p>Applies where applicant lacks facilities such as water, heating, cooking facilities</p>	<p>Current policy recognises need but awards low points.</p>
<p>Applicants assessed as meeting Band B but with no local connection to sub-region</p>	<p>Law states that anyone can apply to a register and that we have to assess under reasonable preference categories. We are able to band people with no local connection one band lower</p>	<p>The current policy is out of date and would have to be reviewed in light of these recommendations</p>

Common Banding Scheme

Appendix A

BAND D		
Description	Reason	What it means for us
Applicants assessed as meeting Band C but with no local connection to sub-region	Law states that anyone can apply to a register and that we have to assess under reasonable preference categories. We are able to band people with no local connection one band lower	The current policy is out of date and would have to be reviewed in light of these recommendations
Reduced Preference	Under the Law we are not able to have blanket suspensions but we can give reduced preference to those people who have significant financial resources or where the behaviour of the applicant, or member of his household, affects his suitability to be a tenant	<p>Under current Government guidance, it is not permitted to implement blanket suspension policies.</p> <p>Currently policy only allows us to suspend an application following a full case review and investigation. In cases of former tenancy arrears, every effort is made to ensure that the applicant addresses the arrear via a repayment plan before consideration is given to suspending their application.</p> <p>In the future, a reduced preference will be applied to applicants who have former tenancy arrears or a proven history of anti social behaviour and these applications will be placed into Band D. We will continue to assist applicants in addressing their former tenancy arrears via repayment plans.</p>

Common Banding Scheme

Appendix A

BAND E		
Description	Reason	What it means for us
Caravan or mobile home but no housing need	Applies to moveable structures that are sited with landowner permission as have all basic facilities needed to meet the needs of the household.	Policy currently views such cases as being adequately housed.
Tied accommodation but no housing need	Applies to people who have been provided accommodation as a condition of their employment and where the accommodation meets the needs of the household.	Policy currently views such cases as being adequately housed
Applicants who are suitably housed	Applicants who live in a property that is adequate to meet their needs in terms of property type, size and facilities	Policy currently views such cases as being adequately housed
Applicants serving a custodial sentence	Applies to prisoners under sentence.	These applications will remain suspended until the applicant is released.
Properties subject to a Hazard Awareness Notice or Improvement Notice has been served but remedies are low cost and straightforward to achieve	Applies to property suffering defects but which can be remedied easily.	Assumes a relatively low level of nuisance and does not effect the status of the tenant.
Owner Occupiers	Owner-occupiers who are elderly and cannot meet their needs out of their own resources will be able to be assessed under reasonable preference	Owner's occupiers can apply for help however; their applications will be deferred unless there is a material change in their circumstances.