

Cheltenham Borough Council

Cabinet – 16 April 2013

Review of Gloucestershire Homeseekers Allocations Policy

Accountable member	Cabinet Member Housing & Community Safety, Councillor Peter Jeffries
Accountable officer	Martin Stacy, Housing & Communities Manager
Ward(s) affected	All
Key Decision	No
Executive summary	<p>One of the priorities identified within the Housing & Homelessness Strategy 2012-17 was to review Gloucestershire Homeseeker's Allocations Scheme in light of the Welfare Reform and increased flexibilities arising from the Localism Act.</p> <p>Gloucestershire Homeseeker's Management Board (GMHB) have now undertaken this review, and following extensive consultation, the following changes are proposed:</p> <ul style="list-style-type: none"> • To align the Allocations Scheme's bedroom entitlement criteria with the new Housing Benefit bedroom entitlement criteria for social housing tenants. This alignment would ensure there is no Housing Benefit (HB) shortfall as a result of households being deemed to be under-occupying their accommodation as a result of the new HB regulations for tenants in social housing. • To award additional preference and local connection to ex-members of the Armed Forces and their family members. This change would ensure the Allocations Scheme is in line with new regulations and the Community & Local Government's (CLG) Code of Guidance on Allocations. It also supports Gloucestershire's Armed Forces Covenant, which Cheltenham Borough Council has signed up to. <p>A number of additional changes were proposed by GHMB in July 2011, which we also now wish to implement. These were postponed until the implications of the welfare reform and Localism Act were more fully understood and guidance from the CLG on Allocations was published. A summary of these changes are detailed in Section 2.3 below and in Appendix 2 (the Banding Matrix).</p> <p>The proposed changes underwent a 12 week period of consultation. This expired on 26th March 2013, with no objections or alternatives being identified.</p>
Recommendations	To approve the proposed changes to Gloucestershire Homeseeker's Allocations Policy.

Financial implications	<p>None arising directly from this report</p> <p>Contact officer: Des Knight, Des.knight@cheltenham.gov.uk 01242 264124</p>
Legal implications	<p>The Local Authority is required under the Housing Act 1996 to have in place an Allocations Scheme for determining the priorities and the procedures to be followed in allocating social housing. Prior to any amendments to the Scheme, the Local Authority must consult with those Registered Providers that have social housing within their district; allowing them a reasonable opportunity to comment on the proposals.</p> <p>Contact officer: Sarah Farooqi, sarah.farooqi@tewkesbury.gov.uk 01684 272693</p>
HR implications (including learning and organisational development)	<p>None arising directly from this report</p> <p>Contact officer: Richard Hall, Richard.hall@cheltenham.gov.uk, 01594 812634</p>
Key risks	As set out in the risk register
Corporate and community plan Implications	This review of the Allocations Scheme supports our corporate objective: 'Strengthening our Communities' and our corporate outcome: 'People have access to decent and affordable housing.'
Environmental and climate change implications, including likely impact on the Local Authority's carbon emissions	None

Background

- 1.1 In June 2011 a Housing Review Working Group was set up to consider the challenges and opportunities arising from the welfare reform and Localism Act upon Cheltenham residents. The Working Group was made up of a number of Members and Senior Officers from the Local Authority.
 - 1.2 A key recommendation arising from the Working Group was for the Local Authority to adopt a new Housing & Homelessness Strategy. This Strategy was approved by Cabinet in July 2012.
 - 1.3 One of the measures identified within the Strategy was to review Gloucestershire Homeseeker's Allocations Scheme to take account of the welfare reform and Localism Act.
 - 1.4 Gloucestershire Homeseeker's Management Board (GHMB), which is made up of the District Authorities within Gloucestershire and a number of Registered Providers, have now undertaken this activity and have recommended a number of changes to the Allocations Scheme.
- 2. A summary of the proposed changes are as follows:**
- 2.1 **Aligning Gloucestershire Homeseeker's Bedroom Entitlement with the new Housing Benefit Bedroom Entitlement Regulations for social housing tenants**

- 2.1.1** One of the changes arising from the welfare reform is the introduction in April 2013 of the so-called 'bedroom tax' for households of working age who live in social housing. Currently, social housing tenants who claim Housing Benefit (HB) are able to under-occupy their accommodation without this affecting their HB entitlement. From April, households of working age who are deemed to be under-occupying social housing (as defined by the HB Regulations) will have their Housing Benefit entitlement restricted. Aligning the Allocations Scheme's bedroom entitlement with the HB regulations will ensure that low-income households are not placed in social housing that they cannot afford to keep.
- 2.1.2** The proposal is therefore to reduce the age at which an individual will be eligible for a single room from 18 to 16 years; and for two children of different sexes, who are expected to share, to be increased from up to 9 years to up to 10 years of age.
- 2.1.3** The Government announced in March 2013 a number of amendments to the bedroom eligibility criteria for Housing Benefit. These amendments mean that the following families will now remain entitled to an additional bedroom for Housing Benefit purposes:
- Foster carers who are between foster placements
 - Parents who have a child in the Armed Forces who still live with them when not in service
 - Children who require separate bedrooms on medical grounds (e.g. because of a disability)

It is proposed that Gloucestershire Homeseeker's Allocations Policy is aligned to these new criteria.

- 2.1.4** In view of these recent concessions by the Government, there remains the possibility that further changes may be made to the Housing Benefit bedroom eligibility criteria in the future. It is therefore proposed that Gloucestershire Homeseeker includes an overarching provision that its intention is to remain aligned to the Governments bedroom eligibility criteria. This will mean that additional changes could be made to this Policy should the Government make further amendments in the future.

2.2 Ex-Members of the Armed Forces and their families

- 2.2.1** It is proposed that ex-members of the Armed Forces and their family members who do not have a local connection to Cheltenham will be given the same preference as those households who do have a local connection to this area. These changes are in line with new Government regulations.
- 2.2.2** In addition, the Community and Local Government (CLG) recently published a Code of Guidance on Allocations, which recommends that additional preference be awarded to certain categories of serving and former members of the Armed Forces and Reserved Forces, along with their bereaved spouses and civil partners. In view of this, and of our commitments made to Gloucestershire's Armed Forces Covenant, it is proposed that the following changes are made to the Allocations Scheme:
- Upon discharge, members of the Armed Forces (and/or their family members) will be placed in the Gold Band for 6 months from the date of their discharge, where they have a priority need for housing (i.e. they have dependent children or are themselves vulnerable).
 - Upon discharge, members of the Armed Forces (and/or family members) who are not considered to be in priority need (i.e. they do not have dependent children and are not themselves vulnerable) will be placed in the Silver Band, with their housing application backdated to the date they received their discharge notice.

2.3 Other changes proposed by Gloucestershire Homeseeker's Management Board

- 2.3.1** A number of other changes to the Allocations Scheme were proposed by GHMB in July 2011. Approval for these changes was put on hold until the outcome of the welfare reform and the opportunities arising from the Localism Act were more fully understood, following publication of the CLG's Allocation of Accommodation Code of Guidance on 29th June 2012. (Local Housing Authorities have a statutory duty to have regard to the CLG's Code of Guidance when setting their Allocations Schemes).
- 2.3.2** The proposed changes to the Banding Matrix are summarised below. (For more details of these changes, please refer to Appendix 2 of this report).
- **Removing the 'multiple needs' criteria.** The 'Multiple needs' criteria means that households are currently able to be placed in a higher banding priority where they meet 2 or more criteria from a 'lower' needs band. Removing this facility would ensure that social housing is more readily available instead for those households with a more pressing need to move, such as those who are homeless. This is important, given the likely increase in homelessness being brought about as a result of the welfare reform.
 - **Reducing the time limited bands from 2 months to 1 month.** Some of the bands within the Banding Matrix (Appendix 2) are time limited. This means that if a household fails to bid for suitable properties within a given timeframe, the Local Authority can subsequently make a direct offer of accommodation to the household at the top of the list. Reducing this timeframe will help to ensure that households with the most pressing housing need are able to move more quickly when suitable properties become available.
 - **Changing from Emergency band to Gold band those households who are moving on from Supported Housing to Independent Accommodation.** This proposal would place these households on a more equal footing with other households with a high housing need, such as those who are statutory homeless.
 - **Households in flats with young children.** To remove, as an automatic entitlement to be placed into Silver Band, those households with a child under 10 years who live in a flat with no exclusive front door and who are living above or below the ground level. Instead, priority would be awarded to those households who have a medical or welfare need to move as a result of their accommodation being unsuitable.
 - **Priority to under-occupiers of social housing.** To award Emergency banding to those households who wish to move to other smaller non-family accommodation, and Gold banding to those wishing to move to other smaller family accommodation. This would help to facilitate a move for those families in social housing who are affected by the welfare reform.

3. Alternative options considered

The freedoms given to Local Authorities under the Localism Act to change the way they allocate their properties has allowed GHMB to give consideration to the following options, which it is proposed, should be rejected:

3.1 Excluding Bronze banded applicants from the housing list

- 3.1.1** This option was considered on the basis that such a move might reduce the amount of time spent administering applications for households with a relatively low housing need. However in practice, any time saved in closing the list to these households is likely to be lost in having to assess the same applications for ineligibility, as well as in administering appeals and potential complaints from those who have been excluded. GHMB also recognised that Bronze banded applicants still have a housing need; often because they are either struggling to afford their current home and/or because they lack security of tenure. Removing these households from the list would therefore mask the real demand for secure, affordable housing from households who, in the main, will have

neither.

3.2 Tightening the local connection criteria

3.2.1 Preference is already given to households on the list who are deemed to have a local connection to Cheltenham. GHMB's view is that local connection should continue to be defined in the same way as it is for the homelessness legislation; i.e. that it should continue to be given to those households who:

- Are employed in the district
- Have been resident for 3 years out of the last 5; or who are currently resident and who have lived in the area for at least 6 months out of the last 12; or
- Have close family members who have lived in the district for at least the last 5 years.

3.2.2 Failure to maintain this alignment with the local connection criteria as defined by the homelessness legislation could lead to an increase in the number of homeless households remaining in temporary accommodation. This is particularly undesirable at a time when the demand for temporary accommodation is set to increase as a result of the welfare reform. An increase in the use of temporary accommodation would also lead to an increase in costs incurred by the Council, in terms of increased use of Bed & Breakfast, etc. for homeless families.

3.3 Maintaining a separate 'transfer' list for existing social housing tenants

3.3.1 GHMB considered the benefits of maintaining separate lists for tenants who are looking to transfer. The potential benefit is that by maintaining a separate list, tenants may be re-housed in alternative accommodation more easily as a result of not having to compete directly with non-social housing applicants on the housing list.

3.3.2 In practice however, these households would still have to compete with other households in housing need. Local Authorities would still have to decide which list to look at for any given property, and in doing so, they would still need to have regard to those households with the greatest housing need.

3.3.3 The worst impact would be on larger homeless families, (i.e. those requiring 3 and 4 bedroom accommodation) as landlords would be under greater pressure to allocate these properties to existing transfer applicants. This would arise at a time when an increased number of larger families are becoming homeless as a result of benefit changes affecting those in the private rented sector.

3.3.4 A separate transfer list would also increase bureaucracy, and have a financial and resource (staffing) impact, given that a separate allocations system would need to be maintained, as well as a separate Allocations Scheme (as households on this transfer list would still have to be prioritised in some way).

3.4 Priority to households in work

3.4.1 GHMB rejected this in favour of continuing to focus on the more pressing requirement to allocate housing to those in housing need. Failure to focus on this would lead to an increase in the number of households on the housing list, and would reduce our effectiveness in meeting our homelessness duties. This would result in a cost not only to the individual households concerned and to communities at large, but also to the Local Authority in terms of meeting additional temporary accommodation costs.

3.5 To restrict some owner occupiers from accessing social housing unless they have a need to move on medical and/or welfare grounds

- 3.5.1** Officers from across the District Authorities believed that implementing this provision would be impractical because of its resource implications in terms of staff being required to verify the tenure status of all households applying for social housing. In addition, it is understood that in practice owner occupiers who apply for social housing already do so because of a medical and/or welfare need.

4. Consultation and timetable for implementation

- 4.1** Consultation has been undertaken with all households on the housing list and with relevant stakeholders across Gloucestershire. This includes Gloucestershire Homeseeker's Access & Inclusion Group, (which is made up of organisations representing the needs of more vulnerable households across the county); the Voluntary and Community Sector generally, Registered Providers and Cheltenham's Housing & Support Forum (who had involvement in shaping the some of the above proposals). Consultation ran for 12 weeks from January to 26th March 2013, with no objections or alternatives to these proposals being made.

5. Performance management –monitoring and review

- 5.1** The impact of any changes to the Allocations Scheme will be monitored via the Housing & Support Forum and the Access & Inclusion Group, with operational issues being fed into the Gloucestershire Homeseeker's Operational Group; and strategic issues considered by GHMB.

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Appendices	1. Risk Assessment 2. Banding Matrix
Background information	

Risk Assessment

Appendix 1

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likelihood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
	Changes in housing benefit regulations will lead to tenants of working age, who are under-occupying social housing, receiving less housing benefit as a result of their under-occupation. This is likely to result in rent arrears and homelessness	Jane Griffiths	7.11.12	2	5	10	reduce	<p>1. Ensure the Allocations Scheme bedroom entitlement criteria are aligned to the Housing Benefits bedroom entitlement criteria.</p> <p>2. Ensure adequate priority is given under the Allocations Scheme to enable social housing tenants to move to more affordable (smaller) accommodation.</p> <p>3. There are a number of other measures being implemented to minimise the impact of welfare reform, but these are not directly linked to the Gloucestershire Homeseeker Review. For more information, please refer to our Housing & Homelessness Strategy 2012-17.</p>	April 2013	Martin Stacy	

