

For publication

Review of Housing Allocations Policy (HC000)

Meeting: Cabinet

Date: 17th July 2018

Cabinet portfolio: Cabinet Member for Homes and Customers

Report by: Assistant Director – Housing

For publication

1.0 Purpose of report

1.1 To seek approval from Cabinet to make changes to the Housing Choice Based Lettings and Allocations Policy and consult with applicants and stakeholders on these changes.

2.0 Recommendations

2.1 That Members note the position with regard to the current Choice Based Lettings and Allocations Policy and approve in principle the proposed new Home Options Allocations Policy.

2.2 That Members authorise the Assistant Director – Housing to carry out a 6 week consultation process on the proposed Home Options Allocations Policy with current applicants and stakeholders.

2.3 That a further report be brought to Cabinet in October 2018 following the consultation period, setting out the results of the consultation process and making a final recommendation to adopt the proposed Home Options Allocations Policy including any alterations following consultation.

3.0 **Report details**

Overview

3.1 The Council's current Choice Based Lettings and Allocations Policy sets out the way in which the allocation of council properties is administered, including the identification of priorities and areas of increased housing need.

3.2 The last full and comprehensive review of the policy was undertaken in 2015 and implemented in 2016.

3.3 On the 25 July 2017, following an interim review of the policy, Cabinet agreed to implement a Local Lettings Plan, enabling the letting of hard to let flats to residents of neighbouring authority areas North East Derbyshire and Bolsover. Cabinet also agreed that a further full and comprehensive review of the Policy would be undertaken and that a new Allocations Policy be brought to Cabinet for consideration and implementation by October 2018.

Current Position

3.4 At the same time as reviewing the policy, it became apparent that 'Abitas', the current Choice Based Lettings IT system, is no longer fit for purpose, nor does it meet the required level of IT security arrangements. Approval to purchase a new system / or upgrade Abritas was given by Cabinet on 21 February 2017.

- 3.5 The Housing Options team have tested two systems and identified a new IT system for the delivery of its Choice Based Lettings processes. The system is provided by 'Locata Housing Solutions'.
- 3.6 After extensive testing, it is evident that this new system will drastically improve the delivery of the Housing Options and Allocations service for customers and will assist the council in achieving its objective of reducing void empty properties and maximising rental income from the housing stock. Advantages include;
- Online application process
 - Continuous updates to ensure information held is up to date and accurate
 - Cloud based storage
 - Instant shortlisting of successful applicants
 - Email notifications for customers
 - Mobile device responsive to enable easy bidding
- 3.7 This system is currently used by a Derbyshire wide "Home Options" partnership of five authorities, as set out at section 5.1 below.
- 3.8 Chesterfield Borough Council is currently in the process of joining the Derbyshire Home Options Partnership having been given approval through Project Management Office (PMO) for the procurement of this system. Chesterfield Borough Council will be replacing the use of the Abritas system and will use the Locata Home Options system in its place.
- 3.9 Members of the Project Management Office are currently considering additional issues including compliance with new data protection legislation, compatibility with existing IT systems within the council and any alterations to the council's existing website.

- 3.10 The Derbyshire Partnership authorities have all adopted a joint Home Options Allocations policy that is administered through the Locata Home Options system.
- 3.11 As part of the assessment and procurement process of acquiring Locata, it also provided the opportunity of not only conducting the required review of our own Choice Based Lettings and Allocations policy but also to consider and compare the Home Options Allocations Policy alongside Chesterfield's current choice based lettings scheme. This has allowed us to establish whether the Home Options Allocations Policy would be fit for purpose for Chesterfield Borough Council to adopt and enable us to effectively and efficiently deliver the allocation of our properties to those most in housing need.
- 3.12 Implementation of the Locata IT system will be easier to achieve and the system will run more effectively and efficiently if the Home Options Allocations Policy was adopted by the Council. To use the Locata IT system to deliver the council's existing policy would drastically minimise the beneficial impacts of using the system.

4.0 **Current Policy**

4.1 Having delivered the Allocations service under the current Choice Based Lettings and Allocations Policy, since 2016, a number of issues have been identified that are affecting the letting of properties in Chesterfield. These are as follows:

- 12-month residency requirement
- Pre-allocation risk assessment
- Existing tenant transfers
- Points-based system of awarding priority
- Property size eligibility (number of bedrooms)
- Property size eligibility (number of bedrooms) during pregnancy

- Equity
- Adaptations

4.2 Each of the above points are explained in detail in **Appendix A**

5.0 **Home Options Partnership Allocations Policy**

5.1 The Home Options Partnership Allocations scheme is made up of Amber Valley Borough Council, Dales Housing (part of Waterloo Housing Group), Derbyshire Dales District Council, EMH Homes, Erewash Borough Council, Futures Housing Group, High Peak Borough Council, Staffordshire Moorlands District Council and Your Housing Group. A copy of the Home Options Allocations Policy is attached at **Appendix B**.

5.2 The Home Options Allocations Policy is, in the main, similar for each partner but allows partners to include their own local differences. For example, Chesterfield could continue to give preference for houses to Chesterfield tenants who live in flats where the household contains children under 16 years of age.

5.3 The proposed Home Options Allocations Policy awards priority in accordance with legislative requirements to give 'reasonable preference' to applicants in housing need. The policy also reflects local priorities. **Appendix C** sets out how the proposed Home Options Allocations Policy compares to the current Chesterfield Choice Based Lettings and Allocations Policy with regard to awarding priority.

5.4 Being a member of the Partnership will enable the council to share good practice, share expertise and reduce the on-going costs of managing the housing register significantly.

5.5 The Home Options Allocations Policy would enable the council and its customers to benefit from:

- An on-line rehousing application

- Introduction of a simplified priority band system
- Ability to assess medical need using category groups
- Revision of residency requirement criteria
- Acceptance of out of borough applicants on to the housing register
- Introduction of an equity assessment
- Introduction of a time restriction on reapplying to the housing register after being rehoused
- Revision of property size (number of bedrooms) eligibility criteria.
- Introduction of a pre-allocation financial assessment of affordability.
- Revision of housing register exclusion times and financial levels.
- Alignment of the Allocations Policy with the Adaptations Policy 2017.

5.6 The list of benefits identified in section 5.5 are explained in more detail in **Appendix D**.

5.7 Once the new policy is implemented the Local Lettings Plan referred to in paragraph 3.3 will be rescinded.

6.0 Impact

6.1 It is considered that the introduction of the Home Options Allocations Policy (and the clauses referred to in section 5 of this report) will not only address the issues encountered and set out in **Appendix A** of this report, but will also enable the Council's Housing Options team to improve how it allocates council properties to those in housing need, reduce the number of empty properties and maximise rental income to the Council's Housing Revenue Account.

6.2 By improving the way in which the Council assesses applications for housing and allocates its housing stock, it is expected that more sustainable tenancies will be created by

properly assessing individual circumstances and providing the correct information and advice at the outset.

- 6.3 If the proposed Home Options Allocations policy is approved, together with the new IT system, existing applicants on the housing register will be required to re-register. This process will provide us with the opportunity to ensure that we have an active and up to date housing list and identify those who are actively seeking accommodation and reduce the number of inactive applicants to provide a more active and needs based process.

7.0 Human Resource Implications

- 7.1 There are no human resource implications associated with the implementation of the new policy and IT system.

8.0 Financial Implications

- 8.1 A growth item of £80,000 was approved by Cabinet on 21 February 2017 for the replacement of the existing Choice Based Lettings IT system. The Locata system is considerably more cost effective than replacing the existing Abrisas system which is out of date and not fit for purpose. The first year costs of Locata including set up costs are circa £40,000. The ongoing annual costs are circa £20,000. An exact figure cannot yet be provided as there are variances in set up and administrator costs depending upon any changes that are required to the policy following consultation. Furthermore any additional ongoing support costs will be shared across the authorities in the Derbyshire Home Options Partnership thus ensuring better value for money by joining the partnership.
- 8.2 Whilst there will be cost implications of completing a re-registration of all applications, consultation processes and promotional material, these up-front costs can be met from the procurement saving identified in paragraph 8.1.

- 8.3 With the new Allocations Process being paperless there will be an ongoing saving to the Housing Revenue Account in printing, copying and storing paper applications.
- 8.4 As Chesterfield is now a full service Universal Credit area, Housing Services aim to instil a payment culture among tenants, maximise tenants' income and to maximise rental income to the Council. As part of the allocations process and prior to signing a new tenancy, all tenants will have an appointment at the Customer Service Centre to receive benefits and budgeting advice and to set up payment arrangements. Assistance is also offered to make a universal credit claim using computers at the Centre.

9 Legal Implications

- 9.1 The proposed policy will ensure that the allocation of council accommodation is carried out in accordance within all current legislation. It will also create a clearer, more transparent process which will reduce the potential for costly legal challenges.

10 Information assurance and data protection

- 10.1 The proposed policy and IT system is fully compliant with all legislative requirements and the Council's Information Assurance Officer is involved in the consultation and implementation process.
- 10.2 A Data Protection Impact Assessment is currently being conducted for the proposed Locata ICT solution. Where changes in the allocations policy alters the processing of personal data – the Locata data protection impact assessment will be re-assessed.

11 Consultation and community engagement

- 11.1 The introduction of the Home Options Allocations Policy will require a period of 6 weeks consultation with staff, members, partners and officers to ensure that it is fit for purpose and deliverable.
- 11.2 Consultation will take place via a number of hosted workshop sessions and a targeted mail out to those currently on the housing register. Further amendments and additions may be required following consultation and these will be incorporated into the final policy, to be brought back to Cabinet in October 2018. The targeted mail out to those currently on the housing register will be carried out on behalf of the Housing Service by the Policy and Communications Service.
- 11.3 The Council's Enterprise and Well-being Scrutiny Committee at their meeting on 27 March 2018 assisted in identifying areas for reviewing the Choice Based Lettings and Allocations Policy, the development implementation of the proposed Home Options Allocations Policy.
- 11.4 As part of the implementation of the Locata IT system and the introduction of the proposed Home Options Allocations Policy, adjustments to the council websites and linked systems are required. This has already been discussed within the Policy and Communications Service.
- 11.5 Promotional information is also being developed to inform and support applicants to make the consultation and re-registration process as simple and seamless as possible.

12 Equality Impact Assessment

- 12.1 An interim EIA is attached at **Appendix E**. A full EIA will be produced as part of the report to members in October 2018.

13.0 Risk Assessment

Description of the Risk	Impact	Likelihood	Mitigating Action	Impact	Likelihood
Adverse publicity	High	Medium	<ul style="list-style-type: none"> • Communication and consultation strategy • Meetings with specific interest groups 	Medium	Medium
Loss of rental income	High	Medium	<ul style="list-style-type: none"> • Develop plans for alternative use of void properties • Partnership working to explore other markets and solutions • Medium to long term strategy to re-configure stock on estates to meet current and emerging demands • Re-model Business Plan 	Medium	Medium
Increased number of void properties on estates	High	Medium	<ul style="list-style-type: none"> • Develop plans for alternative use of void properties • Partnership working to explore other markets and solutions • Medium to long term strategy to 	Medium	Medium

			re-configure stock on estates to meet current and emerging demands		
Legal challenges	High	Medium	<ul style="list-style-type: none"> • Specialist Legal advice obtained and followed in drafting proposals • Communication and consultation strategy • Meetings with specific interest groups 	Medium	Medium

14.0 Alternative options and reasons for rejection

14.1 Option 1 - Remain with the existing IT system and Allocations Policy

14.1.1 The current IT system is not up to date or fit for purpose. A replacement is required and the solution identified in the report is the most user friendly and cost effective of those considered.

14.1.2 The issues listed in section 4 of this report will continue to create difficulties in delivering the allocation of Council properties and continue to cause financial losses through continuing to have empty properties.

14.2 Option 2 - Develop and introduce a new Allocations Policy for Chesterfield only.

14.2.1 The creation of a new Allocations Policy would considerably hinder the implementation of the new IT system and reduce

the expected improvements to service delivery and management of the housing register.

14.3 Option 3 – Adopt the Housing Options Allocations Policy

14.3.1 It is considered that the introduction of the Home Options Allocations Policy (and the clauses referred to in section 5 of this report) will not only address the issues encountered and set out in **Appendix A** of this report, but will also enable the Council's Housing Options team to improve how it allocates council properties to those in housing need, reduce the number of empty properties and maximise rental income to the Council's Housing Revenue Account.

16.0 Recommendations

16.1 That Members note the position with regard to the current Choice Based Lettings and Allocations Policy and approve in principle the proposed new Home Options Allocations Policy.

16.2 That Members authorise the Assistant Director – Housing to carry out a 6 week consultation process on the proposed Home Options Policy with current applicants and stakeholders.

16.3 That a further report be brought to Cabinet in October 2018 following the consultation period, setting out the results of the consultation process and making a final recommendation to adopt the proposed Home Options Allocations Policy including any alterations following consultation.

17.0 Reasons for recommendations

17.1 To enable the council through the Housing Options Team to be in the best possible position to allocate council housing stock to applicants most in need and to provide a customer focussed and user friendly service.

Decision information

Key decision number	823
Wards affected	ALL
Links to Council Plan priorities	To improve the quality of life for local people' 'To increase the supply and quality of housing in Chesterfield Borough to meet current and future needs'

Document information

Report author	Contact number/email
Carl Griffiths	Ext 5117 carl.griffiths@chesterfield.gov.uk
Background documents These are unpublished works which have been relied on to a material extent when the report was prepared.	
<i>This must be made available to the public for up to 4 years.</i>	
Appendices to the report	
Appendix A	Summary of Issues Current Policy
Appendix B	Home Options Policy
Appendix C	Summary of Comparisons of Priorities
Appendix D	Summary of Benefits of Home Options Policy
Appendix E	Interim EIA