

## Review of Allocations Policy – Appendix A

### Summary of issues with current Allocations and Transfer policy.

#### **1.0 12-month residency requirement**

- 1.1 A 12-month residency requirement was introduced in 2015 with the intention of ensuring that the Council's own properties were utilised to meet the housing need of existing residents of the Borough or those who had employment in the area.
- 1.2 Whilst this did limit the number of properties being let to 'out of borough' applicants, it also resulted in a marked increase in the number of long-term void properties. The largest impact was on the number of vacant one and two bedroom flats resulting in a loss of rental income in the region of £450,000 to £500,000 per annum.
- 1.3 The 12-month residency requirement further highlighted that there was not sufficient demand for one and two bedroom flats from our housing register alone. A recent piece of research across the Sheffield City Region has highlighted the Sheffield (68.3%), Bolsover (83.1%) and Derbyshire Dales (69.3%) have the highest proportions of their waiting lists requiring 1 bedroomed accommodation.
- 1.4 The issue of void properties was considered as part of the Housing Revenue Account Business Plan consultation sessions with Members, officers and tenants. To address the number of long and short term voids, a number of actions were piloted from October 2017. These were:
  - Use of a Local Lettings Plan to accept applicants from North East Derbyshire District Council and Bolsover District Council areas on to the housing register but limited to low demand properties, i.e. one and two bedroom flats.

- Decoration of difficult to let flats
- Advertising difficult to let flats on Rightmove

1.5 The above actions resulted in the significant reduction of the number of long-term void properties and an increase in rental income of approximately £312,000 per annum.

## **2.0 Pre-allocation risk assessment**

2.1 The pre-allocation risk assessment was introduced in 2016 to tackle the number of tenancies that failed due to rent arrears. The aim was to ensure that applicants could afford their rent and other household bills.

2.2 The policy review which was approved by Cabinet identified a minimum income limit of £100 per week. Unfortunately this was not specified in the actual policy itself and had not been considered under the consultation process. Therefore as a direct result of this the Council received a Judicial Review challenge to that clause from the Derbyshire Law Centre.

2.3 Legal advice was that we suspend this part of the application criteria and the minimum income limit is not currently being applied. This means that the Council does not have the ability to refuse an offer of accommodation on the basis that the property is unaffordable.

## **3.0 Existing tenant transfers**

3.1 The current policy includes a quota that allows up to 75% of properties that become void to be placed in the 'transfer band'. This allows existing tenants to reapply to the housing register to move to another property without there being any change in the household's circumstances.

3.2 This has encouraged some tenants to repeatedly move from property to property within a short space of time and, in many cases, they have left their previous property in an unsatisfactory condition. As a result of this, the Council has unnecessary void repair costs and a loss of rent, whilst properties are turned over. It also does not reflect a true housing need, if a large proportion of our new tenancies are transfers.

#### **4.0 Points-based system of awarding priority**

4.1 The current policy uses a points-based prioritisation system. Points are awarded based on the circumstances of the applicant. For example, applicants who have been accepted as statutorily homeless receive 200 points.

4.2 Points-based systems are no longer considered to be good practice and are no longer commonly used throughout the housing sector.

4.3 The system requires considerable levels of officer involvement to assess these points both at allocation and shortlisting stage.

4.4 In addition the points-based system creates an environment where applicants 'chase' points dependent on which criteria gives them the higher number of points. Where people have multiple needs, points are not cumulative and the applicant is awarded the highest level of points that they are due. For example, if they are statutorily homeless (200 points) and also overcrowded (80 points), they would receive 200 points not 280.

#### **5.0 Property size eligibility (number of bedrooms)**

5.1 The current CBL and Allocations Policy has different criteria in relation to the age at which an applicant's child is entitled to

their own bedroom to that contained within the welfare benefits system. This results in families being allocated properties for which they have to pay an under occupancy charge as welfare benefits consider that they have more bedrooms than they require.

## **6.0 Property size eligibility (number of bedrooms) during pregnancy**

6.1 The current policy does not entitle pregnant applicants to apply for a property, which includes a bedroom for their child until after the baby is born. This is unnecessarily restrictive on applicants at an already stressful time.

## **7.0 Equity**

7.1 The current policy does take into account applicants' equity or assets. This means that applicants with high levels of equity or assets can still access social housing.

7.2 It is common across the sector that applicants' equity and realisable assets are taken into account when assessing their housing need. Applicants who have sufficient equity or assets could reasonably be expected to use these to secure accommodation either through home ownership or the private rented sector.

## **8.0 Adaptations**

8.1 The current Allocations Policy does not align with the new Adaptations Policy which was approved in 2017. The Adaptations Policy details how the Council administers its adaptations programme and aims to make better use of existing adapted Council stock, rather than continuing to adapt other properties.