

BRIEFING NOTE FOR ENTERPRISE AND WELLBEING SCRUTINY COMMITTEE

7TH NOVEMBER 2013

REVIEW OF ALLOCATIONS POLICY

1.0 PURPOSE OF REPORT

- 1.1 On 18th December 2012 proposed changes to the Council's Housing Allocations Policy were presented to Cabinet.
- 1.2 The proposed changes were in order to meet the needs of tenants affected by the benefit changes and also to reflect the changes brought in under the Localism Act 2011.
- 1.3 Cabinet approved that consultation regarding the change commenced.
- 1.4 A further report was presented to Cabinet on 19th March 2013 feeding back the results of the consultation process and recommending that the changes were implemented with effect from 1st April 2013. Cabinet approved the recommendations.

2.0 DETAILS OF CHANGES

- 2.1 **Pensionable Age** - Due to the changes in the Department of Work and Pensions' (DWP) pensionable age, all references to pensionable age in the new policy refer to and are consistent with the DWP's pensionable age at the point in time of allocation.
- 2.2 **Under-occupation** - From 1st April 2013 under-occupation will be a recognised housing need in terms of affordability and people's ability to pay their rent, and thus sustain their tenancy.
 - 2.2.1 A new points category is therefore created awarding 80 points for each spare bedroom, up to a maximum of 160 points. This mirrors the points awarded for families who are overcrowded.
- 2.3 **Quota for Transfers** -The quota for transfers is increased to 40%. Transfers were previously included in Bands 2 and 3 with general applicants but under the proposed policy a new separate band for Transfers is created.

2.3.1 Due to the lack of turnover of 2 bedroom properties (in 2011/12 it was 263) and given the number of tenants requiring two bedroom properties who are either under-occupying and overcrowded, it is proposed that 75% of 2 bedroom properties becoming available to let are advertised with a preference to Transfers. (This is in-line with our allocations of bungalows).

2.4 **Changes to Bands** - It is proposed that the bands are changed as indicated below, with the following percentage of allocations per band.

Priority Band	20%
Transfers	40%
General 1	25%
General 2	5%
Sub Regional Scheme	5%
(5% unallocated to allow for monitoring of demand)	

2.5 **Armed Forces** – applicants leaving the armed forces are included as a additional preference group and will be awarded 100 points.

2.6 **Age of Entry onto the Housing Waiting List – from April 2013** the age to register on the waiting list has increased from 16 years to 18 years of age. This is because tenancies are not awarded to applicants under the age of 18, unless they are referred under the Children’s Act from Social Services, under the agreed protocol or via a homelessness application.

2.7 **Sub-Regional Scheme** – From April 2013, 5% of all allocations are included in the Sub-Regional Scheme (a Scheme run in conjunction with Bolsover District Council, North East Derbyshire District Council and Bassetlaw District Council). The Scheme is currently being reviewed.

2.8 **Families with Adult Children** – From April 2013 houses in areas with good supply (ie no demand from families with children) may be allocated to families with adult children still living at home.

2.9 **Termination by a Joint Tenant-** either party to a joint tenancy can give notice to terminate that tenancy and this act will terminate the whole tenancy. Following the termination of the tenancy the Council will deal with any requests from an ex-tenant wishing to remain in the property in accordance with the Council’s Allocations Policy.

2.9.1 Where a person is not eligible to be allocated the property based on size or property type then the Council will normally offer suitable alternative accommodation in accordance with the Occupancy Standard.

2.9.2 Previously Council Policy allowed for an exception to be made if the tenant had been residing in the property for more than 15 years irrespective of the

property type. This exception has been noted as irrational by the judges in two cases recently defended by the Council. It was therefore proposed to remove this 15 year rule from the new policy.

2.10 Mutual Exchanges

- 2.10.1 A mutual exchange is quite simply two tenants who approach the Council to exchange properties, which subject to certain criteria, we would normally approve.
- 2.10.2 Facilitating mutual exchanges is another way to meet the needs of tenants who are either under occupying, or overcrowded, by identifying them, and with their consent by putting them in touch with each other.
- 2.10.3 A mutual exchange avoids the costs associated with a property becoming void (on average £2,400 per property for repairs and rent loss) but can be resource intensive in terms of officer time.
- 2.10.4 It was proposed that we promote and encourage mutual exchanges and incentivise tenants to exchange by introducing a new package under the Transfer Incentive Scheme.

2.11 Transfer Incentive Scheme

- 2.11.1 The Housing Service introduced the Transfer Incentive Scheme in 2007 due to the shortage of family houses in order to try and encourage tenants to move to smaller accommodation and 'free up' houses.
- 2.11.2 The downsizing incentive consisted of two separate packages, A and B, which gives tenants a choice of property types they would prefer to move into.

Package A

This offers up to £5,000 to tenants willing to move from a family house into either a flat or studio, in a sheltered housing scheme as designated by Housing Services.

Package B

This offers up to £2,500 to tenants willing to move from a family house into a one or two bedroom flat, provided the flat has lesser bedrooms than the house from which they are moving.

Two further packages, **Package C and D** were introduced in June 2010. Package C is available to tenants whose property is no longer suitable for

them but where it cannot be adapted to suit their needs. A sum of £1,250 is offered as an incentive to the tenant to move to a property that has already been adapted or is suitable to have adaptations carried out.

Package D is for tenants on whom the Council are serving notice of possession proceedings and are required to move, following their succession to a property for which they are not eligible, in terms of either its size and/ or property type. A sum of £1,250 is offered to cover the usual expenses of moving house, such as removals, new carpets, curtains etc. It is felt that the offer of financial assistance may help the Council in securing the desired outcome without having to take costly court action.

2.11.3 The current annual budget for the Transfer Incentive Scheme is £50,000.

It was proposed to:

- Reduce Package A up to £2,500
- Delete Package B
- Packages C and D, become B and C
- Introduce a new category D

2.11.4 To introduce a further category – **Package D** to assist tenants who have arranged a mutual exchange and who under the terms of the Allocations Policy have a recognised housing need to transfer. (This will include those affected by the welfare benefit changes).

2.11.5 The package will pay £500 per tenant, which based on 100 moves, (50 mutual exchanges) will necessitate the budget being increased by £50,000 to £100,000.

2.11.6 As the average cost of repair on a change of tenancy is £2,000 plus £400 void rent loss, and a mutual exchange does not cost the Council anything, it is therefore in the Council's interests to incentivise tenants to arrange their own mutual exchange rather than simply wait for a transfer into an empty property.

2.11.7 This is subject to on-going monitoring.

3.0 REVIEW OF IMPACT OF CHANGES TO POLICY

3.1 A review of the impact of the changes to the policy has been carried out and the following has been found:

- 153 (66%) of all households in the transfer band who have been allocated properties since April 2013 have moved because they were either under-occupying properties or were overcrowded.

- There has been a 45% increase in the number of transfers compared with the same period last year.
- By stimulating transfers more two bedroom properties have been released which has resulted in an increase in availability of properties across most areas of the Borough.

4.0 FURTHER CHANGES UNDER CONSIDERATION

- 4.1 **Priority Band** – it is proposed that we carry out direct matches for all homeless applicants where we have accepted a statutory duty to re-house. (We already do this for medical cases, alternative to adaptation moves and management moves). Currently homeless applicants have 4 weeks to make bids on properties and if they do not bid then after the fourth week a direct match of a suitable property is made. This will enable us to discharge our duty much more quickly and reduce bed and breakfast accommodation costs.
- 4.2 **Transfer Band – Children in Flats Points** – it is proposed that we re-introduce points for households with children who live in flats. Currently unless a household is overcrowded then no points are awarded and they are given no preference on the waiting list.
- 4.3 **Two Year Residency** – the DCLG are currently consulting Local Authorities regarding their views on adopting a two year residency criteria for admission onto housing waiting lists. We are currently considering the implications of this and will respond accordingly.

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30TH October 2013