**Item No.** | **Classification:** Open  
**Date:** 3 December 2013  
**Meeting Name:** Deputy Leader and Cabinet Member for Housing Management  
**Report title:** New housing allocations scheme  
**Ward(s) or groups affected:** All  
**Cabinet Member:** Councillor Wingfield, Deputy Leader and Cabinet Member for Housing

**RECOMMENDATIONS**

1. To note the outcome of the consultation conducted in the period 1 October 2013 to the 4 November 2013.

2. To agree the attached housing allocations scheme with a view to implementing the amendments to the housing allocations policy as outlined in the attached housing allocations scheme from the 1 January 2014.

**BACKGROUND INFORMATION**

3. On the 16 July 2013 the cabinet agreed the final recommendations of the lettings policy review with a view to implementing the amendments to the housing allocation scheme outlined in the report presented to cabinet. This report now seeks approval of the attached housing allocations scheme through the Individual Decision Making framework that corresponds with the approval obtained at the 16 July cabinet meeting.

4. A further review of the new housing allocations scheme will be conducted in the summer of 2014, to review the operational effectiveness of the new housing allocations scheme and make recommendations for possible changes following appropriate consultation.

5. The Localism Act gives local authorities more freedom to determine the framework of each housing allocations scheme, and the attached housing allocations scheme corresponds with the Localism Act and best practice examples from across England.

6. Officers also carried out a benchmarking and research exercise that looked at what other authorities were planning and recent or forthcoming changes in government policy and legislation that impacted on lettings to produce the attached housing allocations scheme.

7. The new housing allocations scheme set out in the appendix report are therefore informed by:
   - A comprehensive borough wide consultation exercise with residents and partner organisation during 2012 and 2013
   - The findings of the Lettings Review Group
   - Consultation with housing associations
• Changes in government policy or legislation impacting on lettings
• Approaches being taken in other London boroughs
• Following national best practice examples
• Cabinet report of the 16 July 2013.
• A further consultation exercise undertaken with customers, housing associations and partner agencies during the 1 October 2013 to 4 November 2013.
• The Equality Analysis of the new Housing Allocations scheme

Policy implications

8. The recommendations are in line with the council’s “Fairer Future Principles” and in particular seek to ensure that we are open, honest and accountable.

9. The drivers for these changes are the Localism Act 2011 and the Welfare Reform Act 2012. Regard has also been had to the statutory guidance, Allocation of Accommodation Guidance for Local Housing Authorities in England which was published in June 2012.

10. In preparing the revisions to the Housing Allocations scheme regard has been had to the Housing Strategy, Homelessness Strategy, the London Housing Plan, and the council’s Tenancy Strategy. In addition to this, equalities impacts have been borne in mind throughout the process.

11. The council by adopting this new Housing Allocations scheme will be adopting national best practices.

Policy changes

12. The recommendation to extend the residential qualification period from six months to five years (the residency qualification period recommendation has changed (from 2 to 5 years) since cabinet agreed the recommendations in July. The 5 year qualification proposal follows the outcome of the consultation conducted in October/November 2013. This proposal will ensure more homes will go to local people and contribute to sustainable communities. Also the council currently operates an open register allowing anyone to apply for housing. The new approach will assist the council to adopt a managed approach to its Housing Register for the benefit of local communities.

13. Further defining overcrowding in the recommendations seeks to make better use of a scarce resource whilst still providing a relatively generous provision compared to other London authorities.

14. The recommendation to introduce sanctions following the refusal of three offers is in order to improve void turnaround, avoid potential loss of revenue and make it fairer to all applicants. Research has shown this again is more generous than other London authorities who apply much more rigid sanctions after only two refusals.

15. The recommendations will assist the council to manage the Housing Register at a time in the contraction in new affordable housing supply combined with a reduction in the availability of council and Housing Association accommodation that is increasing the pressure on the council who faces difficult choices and need to help those in the most need.
16. The Localism Act enables the council to better manage its housing register by giving the council the power to determine which applicants qualify for an allocation of social housing. The council will be able to operate a more transparent system which better reflects local circumstances and can be understood more readily by local people.

17. The Localism Act also gives the council the power to end the main homelessness duty with an offer of private rented accommodation, without requiring the applicant’s consent.

18. By providing additional priority to working households and households who undertake a community contribution this will help to create communities that are mixed, balanced and sustainable in the future.

19. This also contributes to the implementation of the fourth strand of the council’s economic wellbeing strategy, which aims to make Southwark a place where our residents are financially resilient and independent.

20. We will monitor the number of lettings on a monthly basis and keep these new policy changes under review and if any further amendments are required to be made to the council’s Housing Allocations scheme we will report back following a twelve month review.

Community impact statement

21. As well as being In line with the council’s Fairer Future Principles, the new Housing Allocations scheme further contributes to the Council Plan.

22. The equality analysis carried out prior to cabinet consideration and attached to the report that was considered in July 2013, has been updated and reviewed to reflect the further consultation conducted in October/November 2013. A copy of the new Equality Analysis for the Housing Allocations scheme is attached to this report as appendix 3.

23. The recommendations contained in this report, if adopted, will result in a more equitable, customer-focused and transparent system for all applicants, irrespective of their landlord, registering for housing in Southwark. Although the recommendations will not result in any overall increase in housing supply in the borough, they will enable this scarce resource to be managed more effectively, strategically, and allocated to those local residents with the highest priority.

24. Extending the qualification period from six months to five years should enable Southwark to focus its resources on local people in need however this needs to be closely monitored to ensure that no group is disadvantaged.

25. The Housing Options & Homelessness Service regularly carries out equality monitoring of Lettings and the Housing Register in general.

26. In order to ensure that no group is disproportionately disadvantaged a review will take place during the summer of 2014, to make sure that there has been no detrimental impact on all protected characteristics that are outlined in legislation.
27. The council through its lettings review continues to prioritise housing need. However this report recognises that council housing is a scarce resource and it has to be used both to respond to a range of housing needs, and to help to support the council's wider strategic objectives of delivering mixed and sustainable communities, and in contributing to improving the economic wellbeing of the borough. This is why the council has chosen to award a degree of additional priority to those in work or making a community contribution in order to incentivise these activities.

28. Southwark Council’s Homelessness and Housing Options Service provides advice and potential housing solutions to all residents in housing need and those residents that could be affected by the new residence qualification of five years, and other potential qualification criteria exclusions would be provided with a customer focused housing advice/money advice service to offer potential housing solutions to address the residents housing needs.

Resource implications

29. Central and local government policy has driven Choice Based Lettings schemes nationally as a means of increasing consumer choice and empowering housing applicants by moving responsibility for choice of an individual allocation from the council to the individual. This initiative has been a policy driven decision, with the benefits being in increased transparency of systems, improved access and higher levels of resident satisfaction.

30. No direct staffing implications are anticipated as a result of the report, however it is anticipated that the policy review could bring about some process efficiency through reduction in legal costs, and reduction of void loss over disputed allocations.

31. If the decision to move new lets straight to target rent were to be approved it would accelerate council rent convergence which it is anticipated could generate additional rent income of between £300 -£400k per annum, not currently assumed in the HRA but which will need to be included as part of the Housing budget setting process so that recommendations are implemented in the context of the budget framework.

32. The impact of formula rent planned for all lettings to new applicants and new build properties will assist in the alignment of rents for the council as a whole.

33. Cabinet approved the 2013/14 budget in January 2013 and the overall resources to administer this scheme and cost fall to the HRA. Future budget provision for administration in financial year 2014/5 and beyond will form part of the Housing budget setting process.

Consultation

34. Following on from the meetings of the Lettings Review Group the group’s recommendations as detailed within this report were circulated for consultation. This took place between January and March 2013, the consultation process consisted of a number of tailored approaches in order to maximize the opportunities for engagement.
35. The consultation followed the new approach to Community Engagement that the cabinet agreed in December 2012 and took place as the initial phase of the Housing Commission engagement plan that was agreed at the same meeting. The key principle was that it attempted to be inclusive of all the borough’s communities, using a range of methods to provide as many residents as possible with the opportunity to engage.

36. The consultation used a mix of traditional methodologies (such as attending area housing forums) and newer methods such as the community conversations to allow a wider range of residents to participate.

37. Consultation with external stakeholders – a presentation outlining the council’s recommended changes, as well as specific questions were sent to external partners including registered social landlords and representatives from the voluntary and community sector.

38. Consultation with internal stakeholders – a similar presentation, explaining the recommendations, plus specific questions for consideration, were circulated internally to business units with an interest in allocations, for example area housing management.

39. Consultation via formal consultative bodies - presentations were delivered to area housing forums, as well as tenants’ council, homeowner’s council, the tenant management organisation liaison committee and the housing, environment, transport and safety scrutiny sub committee.

40. Consultation via open public events – ‘community conversations’ were held during the period of the lettings review consultation across the borough. As well as the more open conversations that took place at these events and informed the feedback residents also completed surveys, giving their views on the specific recommended changes.

41. In tandem with this lettings review specific consultation, the council has been consulting residents on broader housing related issues including – who council housing should be for and for how long?, how much council housing should we have and how should we manage our council housing?, the finding from this wider consultation was reported to Cabinet in July 2013. By the end of this process the council will have engaged over a thousand residents in the conversation.

42. Area housing forums have been consulted with over 100 tenants and leaseholders attending these meetings, 120 residents completed surveys on the streets of Southwark, 60 residents attended workshops on the new housing allocations scheme, 5 stakeholders provided detailed written comments, and 600 residents completed on line or written questionnaires.

43. In total over 80 consultation event have been conducted across the Borough of Southwark, the services also liaised with the Tenant Council, and many of the community conversations took place on Saturdays in busy high street locations across the borough to attract a bigger response and reach those who are not our tenants as well as those who are tenants. In addition to this the council conducted consultation events with Community of Interest Forums - older people, younger people, and black and ethnic minority groupings.
44. All Registered Social Landlords operating in the borough received a letter seeking views on the proposed changes to the Housing Allocations scheme, with these consultation comments considered as part of the design of the new Housing Allocations scheme.

45. All Registered Social Landlords operating in the borough received an e-mail seeking views on the new housing allocations scheme, and the outcome of this consultation was reported to the Cabinet meeting on the 16 July.2013.

46. Following the cabinet meeting in July further consultation has taken place during October and November 2013.

47. All Housing Associations were consulted at the Housing Association liaison meeting in October 2013, on the proposed contents of the new housing allocations scheme.

48. All Housing Associations received a copy of the draft new housing allocations scheme on the 1 October 2013, and comments were requested on the new housing allocations scheme by the 4 November 2013.

49. The new housing allocations scheme was distributed on the 1 October 2013, to all partner agencies for example the Citizens Advice Bureau, Southwark Law Centre, community organisations, and statutory organisations (Health Agencies, Social Services) and comments invited.

50. The new housing allocations scheme was forwarded to all Area Housing Forums and Officers attend all Area Housing Forum meetings to obtain the views of these Forums.

51. The new housing allocations scheme was also forwarded to all elected members who sat on the Lettings Review Group during 2012 and 2013, for observations and comments and to ensure the new housing allocations scheme followed the Lettings Review Groups direction of travel.

52. The combined results of the comprehensive consultation exercise conducted during October 2013 and November 2013, is attached as Appendix 1.

53. The main specific proposed changes to the draft housing allocations scheme arising from the October/November 2013 consultation framework to the original draft housing allocations scheme presented to the Cabinet meeting in July 2013, are as follows

- Residency qualification before a customer can join the housing register be changed from 2 years to 5 years
- A secure or assured tenant that has lived in the property for 5 years or more and has no related housing debts, not breached the terms of the tenancy agreement or committed anti-social behaviour will be placed in Band 2 as an incentive for all tenants in Southwark.
- Customers including reasonable preference customers will be demoted to Band 4 if they are in rent arrears that is caused by the deliberate non payment of rent, breach of the tenancy agreement, conviction of illegal or immoral use of the home, nuisance and annoyance, criminal offences in or near the home, violence towards a partner or member of the family, allowing the property to deteriorate, obtaining the tenancy by deception, paying
money illegally to obtain the tenancy, convicted of fraud, acts of aggression or violence to employees or partner agencies, the police state unsuitable to be a tenant, or the customer provides false information or committed racial harassment or hate crimes.

- There is plenty of evidence that the compensation available for leaseholders/freeholders being displaced by council-driven redevelopment schemes is insufficient to enable such customers to remain in equivalent accommodation in the local area of the redevelopment or in Southwark. Southwark Council agrees with this consultation comment and section 5.31 has been amended to incorporate this change to confirm that this section does not apply to the Council led regeneration schemes, and owner occupiers in these properties would qualify to join the housing register for consideration for low cost home ownership or for the council to purchase the property and convert the previous owner into a tenant of the council.

**Implementation**

54. Following approval officers will need to undertake a number of administrative and procedural changes in order to implement the review changes.

55. For these reasons, it is recommended that the new changes are formally adopted for approval in January 2014. This gives officers sufficient time to:

- Review all the cases of applicants on the Housing Register to ensure that they satisfy the eligibility criteria of the revised Housing Allocations scheme
- Re-register those that are eligible following the new Housing Allocations scheme
- Write to those who are not eligible and inform them that they have been removed from the Housing Register
- Re-assess applications including those who will fall into revised bedroom criteria, employment and voluntary contribution.
- Make changes to the Councils ICT system including the Novalet bidding system.

**SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

**Director of Legal Services**

56. The law requires the council to have a scheme for determining priorities and as to the procedure to be followed in allocating housing accommodation. For this purpose 'procedure' includes all aspects of the allocation process including the persons or description of persons by whom decisions are taken. The law also sets out requirements and powers as to the framing of the scheme and provides that a local housing authority shall not allocate housing accommodation except in accordance with its allocation scheme. The council operates a lettings policy by way of compliance with statutory requirements.

57. The proposed changes to the council's lettings policy and the outcome of consultation carried out were presented to the cabinet on 16th July 2013 when changes to the existing scheme were agreed. The deputy leader and cabinet member for housing will note the changes to the proposals following further consultation set out in paragraph 53 of this report.
58. On 16 July 2013, cabinet noted that the amended housing allocations policy will be brought back to the deputy leader of the council and cabinet member for housing management under individual decision making in October 2013. Part 3D of the council’s constitution reserves agreement to significant policy issues to an individual cabinet member where the matter relates to their area of responsibility. The deputy leader is responsible for the housing portfolio that includes housing allocations; the recommendations in this report are therefore within the deputy leader’s remit for decision.

59. Due regard must be given the public sector equality duty (PSED) in section 149 of the Equality Act 2010 that requires the council to consider all individuals when carrying out their functions; this includes changes to policy. The duty requires that due regard be given when taking decisions, to the need to eliminate discrimination, advance equality of opportunity, and foster good relations between different people. Specifically, the following protected characteristics must be given due regard; age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. The PSED also applies to marriage and civil partnership, but only in relation to the need to eliminate discrimination, harassment, victimisation or other prohibited conduct. When considering the recommendations in this report, the deputy leader should turn his mind to this duty and actively consider the information set out in the community impact statement.

60. The law also requires the council to have regard to its homelessness strategy, tenancy strategy and London Housing strategy. The paragraph 10 of the report confirms that regard has been had to these strategies in framing the policy.

61. The housing department has worked closely with the council’s legal department in developing the proposed new policy document and the director of legal services is not aware of any legal barriers to the council adopting the policy recommended in this report.

Strategic Director of Finance and Corporate Services (FC13/025)

62. The strategic director of finance and corporate services notes the final recommendations of the Lettings Policy Review Group and the financial implications outlined in paragraphs 37 to 41.

63. There are no direct staffing implications anticipated as a result of this report. Any increases to rent income will need to be included in the 2014/15 budget setting process.

BACKGROUND DOCUMENTS.

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<tr>
<th>Background Papers</th>
<th>Held At</th>
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<tr>
<td>Housing Allocations scheme</td>
<td>Housing Options &amp; Homelessness 25 Bournemouth Road</td>
<td>Ian Swift 020 7525 4089</td>
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Link
http://www.southwark.gov.uk/downloads/download/3175/southwark_council_lettings_policy
APPENDICES

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<td>Appendix 1</td>
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<td>Appendix 2</td>
<td>Housing Allocations scheme</td>
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<td>Appendix 3</td>
<td>Equality Analysis</td>
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AUDIT TRAIL

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<td>Report Author</td>
<td>Ian Swift, Service Group Manager Housing Options &amp; Homelessness</td>
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