

Item No. 9.	Classification: Open	Date: 16 July 2013	Meeting Name: Cabinet
Report title:		Lettings Policy Review	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Wingfield, Deputy Leader and Cabinet Member for Housing Management	

FOREWORD – COUNCILLOR IAN WINGFIELD, DEPUTY LEADER AND CABINET MEMBER FOR HOUSING MANAGEMENT

I have had the pleasure of chairing the cross party lettings review group which has reviewed the council's current lettings policy over the last year. This most recent review of the lettings policy has been prompted by a number of different factors including the Localism Act 2011 which gives local authorities the freedom to determine their own policy on local priorities and allows additional preference to be awarded. It also allows councils to determine who should qualify to join the housing register. Southwark has an enormous housing register with some 21,000 applicants registered for housing. For many of these applicants, being on the housing register will do nothing to alleviate their housing need.

The review has also been carried out against the background of central government's package of welfare reforms. Although it is early days, we anticipate that welfare reform will have an impact on housing in Southwark, and elsewhere, and may result in an increase in the number of local residents presenting as homeless.

In addition to the powers provided under the Localism Act, we have the considerable insight of the housing commission on what should be the future of council housing in Southwark. Whilst the commission's primary focus was on options for funding the council's stock going forward it did have quite a lot to say about lettings. In particular it considered who council housing should be for, now and in the future.

Council housing residents in the borough were invited to contribute to the evidence gathering parts of the commission and commented on who they thought council homes should be for. The report notes that the majority of council housing residents "believed that homes should be available to those most in need, such as those with a disability, those with children and victims of abuse". However it was also thought that those with a local connection should continue to have some priority.

In relation to the lettings review, the commission report also notes:

- Population growth will increase demand for council homes and an ageing population will quicken the need to adapt properties.
- There is likely to be a continued increase in the number of private homes for sale or rent, most of which will be unaffordable to those on low incomes.
- The gap between social rents and private rents is set to widen as demands on the private sector increase.
- Welfare Reforms will hit the poorest hardest and Southwark will need to focus on how it manages its future rental income. The reforms may force some prospective

tenants out of the borough and could effectively require the council to provide more one bed properties and fewer family sized homes.

The commission report concluded that, “whatever adjustments it makes to its allocations policy and procedures, Southwark will for the foreseeable future still need to prioritise who gets access to the borough’s council housing. The problem is compounded by the fact that Southwark has both relatively high levels of under occupation and relatively high levels of over-crowding (fifth highest in London).”

The Lettings Review and the recommendations arising from it contained in this report seek to address many of these issues, follow national best practice examples and provide a sensible response to the continuing demand for housing in Southwark today and in the future.

RECOMMENDATIONS

1. To consider the results of the Lettings Policy Review consultation.
2. To agree the final recommendations of the Lettings Policy Review with a view to implementing the amendments to the housing allocations policy as outlined in sections 20 to 123 of the report and with the timescale for implementation noted alongside each recommendation. To note that the amended housing allocations policy will be brought back to the Deputy leader of the council and cabinet member for housing management for approval in October 2013.
3. To note 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.

BACKGROUND INFORMATION

4. A fundamental review of the council’s housing lettings policy was completed in 2005 which concluded in the introduction of “choice based lettings” and a simplified, more transparent system of prioritising housing applicants, known as banding. The council’s housing lettings policy was last reviewed in 2007 which did not result in any major changes.
5. A further review of the lettings policy commenced last year. This review was to take into consideration the greater freedoms available to local authorities to determine their lettings policies as set out in the Localism Act, and the statutory guidance on lettings as set out in the previous government’s 2012 code of guidance, ‘Fair and Flexible’. Both enable local authorities to allow flexibility for priority status (alongside the existing ‘reasonable preference’ categories of applicants to whom local authorities must give a degree of priority under their lettings schemes) to local circumstances, such as people with strong local or family connections.
6. The Localism Act also gives local authorities more freedom to determine who is eligible to join their housing registers.
7. It was agreed that the review would take into consideration the following:
 - Additional re-housing priority for community contributions
 - Enhanced priority for ex-service personnel (e.g. as part of community contributions or for separate consideration)

- Additional re-housing priority for employment
 - Review of local connection requirements
 - Tenancies for nominations to housing association properties
 - Consistency in the treatment of tenants being re-housed as part of regeneration schemes ('decants')
 - Applicants without priority (i.e. those currently in Band 4) to no longer be considered part of the housing register
 - 'Housekeeping' issues (e.g. pan-London and national mobility, and updates to the technical nature of the housing allocations scheme following legislative changes, the introduction of the new code of guidance and following best practice in this area)
 - Other relevant issues that arise in the course of the review
8. It was agreed to constitute a lettings review group which would include two tenant representatives, one voluntary organisation representative, one housing association representative and officers from housing and community services and children's and adult services. It would have cross party councillor membership and be chaired by Councillor Wingfield, Deputy Leader and Cabinet Member for Housing.
 9. The group met monthly throughout 2012 and agreed on 9 recommendations relating to the housing allocations scheme which went out to consultation to applicants, residents, partner agencies and stakeholders. These 9 recommendations are covered within this report below alongside the additional elements that have been considered during the consultation framework.
 10. There are also a small number of other issues and challenges arising from the existing policy, some of these require minor word changes (taken from statute) which would make them less open to argument and differing interpretation. The opportunity to make these changes has been taken as part of this review and is detailed below.
 11. On 13 December 2011 cabinet made the decision to establish the independent commission on the future of council housing in Southwark. The commission's brief was to explore options for the future financing, ownership and operation of Southwark's housing stock beyond 2015/16. The report of the independent commission was presented to cabinet in October 2012.
 12. In December 2012 cabinet agreed a wide ranging community engagement plan on the key issues raised in the commission's report. This encompassed not just those living in the council's stock, but also other residents who may, for example, be living close to Southwark's estates, or who are registered on the housing register.
 13. Because of the strategic importance of council housing in Southwark, and its links to other council priorities such as economic wellbeing, and improving the health of the borough, it was of primary importance that the engagement plan was broader than just those living in or near council homes.
 14. The core questions the plan of engagement covered were:
 - Who should council housing be for, and for how long?
 - How many homes should the council provide, and to what standard?
 - How should these homes be managed?

15. Engagement was through existing engagement structures such as area housing forums, Tenant and Home Owner Councils, and community councils, but it also reached out more widely. A number of different methods of engagement were used, some of them new and innovative, in order to generate the widest possible response on these important issues. The detail of the feedback from residents is contained in an appendix to this report entitled *"Let's Talk About ... Lettings Review 2013, consultation, questions and results"*.
16. Because one of the fundamental questions that residents were asked to consider as part of this wide ranging engagement exercise on the housing commission work was 'Who should council housing be for?' the lettings review consultation formed part of the wider housing commission consultation that took place from January to June 2013.
17. In addition to the wider consultation and the work of the Lettings Review Group that are set out above, officers also considered the views of other housing associations in Southwark to whom the council has nominating rights. Housing associations were all contacted directly with the findings of the lettings review group in full alongside information on the wider consultation questions and were invited to respond with their views.
18. 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.
19. The recommendations set out in this report are therefore informed by:
 - A comprehensive borough wide consultation exercise with residents
 - 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

KEY ISSUES FOR CONSIDERATION

Removal of Band 4

20. All applicants on the housing register are assessed according to their housing needs, with applicants in Band 4 categorised as a non-priority group. This means that they have no housing need according to the council's lettings policy, and historically have not been re-housed by Southwark Council.
21. There are currently 10,154 applicants registered in Band 4. Unfortunately, none of these are expected to make a successful bid for alternative accommodation. This raises false expectations, with some Band 4 applicants wasting their time continuing to bid when they have no realistic prospect of being housed, as well as being costly to administer.
22. It is important to note that the council is in the process of being able to hold data on all residents approaching the council for housing assistance whether they are included on to the housing register or not. New work has commenced that will allow the council to record all housing needs from all approaches to the council,

and this data collection and analysis will be a more reliable and accurate reflection of housing need in the future. Written consent will be obtained from the applicant and resident for this area of our work to ensure that the council is not in breach of the Data Protection Act.

23. It should also be noted that Bands 1-3 are currently used to measure the true level of housing need in the Borough and will continue to do so in the future.
24. Reducing the number of bands is typical of the actions being taken by many local authorities for example London boroughs of Newham, and Ealing and also councils outside of London for example Northampton and Slough.
25. However, due to the implementation of welfare reforms, some of which have already been implemented and some of which will follow later in the year, it is recommended that the council does not remove non-priority Band 4 applicants from the housing register at the current time but instead waits to assess the impact of the reforms once universal credit is fully operational and the impact on residents will be known locally.
26. This would also allow the council to undertake a review after the current housing allocation scheme revisions are implemented to ensure the housing allocations scheme remains effective and meets the housing needs of the local community.
27. In response to the consultation on this issue, 5 of the area housing forums did not support the removal of Band 4 applicants, 3 supported the removal of Band 4 applicants as this group has historically not been re-housed, and 2 Area Housing Forums were split equally to support the removal or to retain Band 4 of the Housing Allocations scheme. Where the numbers do not add up to 12 this is for two reasons 1 Forum made no response and one did not respond to all of the questions.
28. 58% of residents who completed the survey did not support the removal of Band 4 from the Housing Allocations scheme with 34% in favour of the removal of Band 4 as this provided false expectation to applicants. 8% had no view on this matter.
29. 37% of residents attending the workshop sessions did not support the removal of Band 4 applicants from the housing allocations scheme and 37% supported the removal of Band 4 from the housing allocations scheme with 26% having no views on this matter.
30. It can be seen from the results of the consultation exercise that there is a balanced viewpoint expressed, however there is a marginal majority of residents who support the retention of Band 4 within the housing allocations scheme, and by observing the resident and community engagement results the council will be following the outcome of the consultation exercise.
31. **It is recommended that Band 4 applicants are not removed from the Housing Allocations scheme at the current time but that this is subject to a further review.**

Local Residence criteria for new housing applicants

32. Under the Localism Act 2011 the residential qualifying period may now be set by the local authority. Current policy states that applicants are required to live in

Southwark for six months prior to registration.

33. It is recommended that the residential period is extended to two years for new applicants to qualify for registration on the housing register. This two years residency qualification means continuous residence. This would also follow similar approaches of other London boroughs for example Ealing and Newham and councils outside of London for example Northampton and Slough.
34. By extending the local connection period this will ensure that more homes will go to local Southwark residents.
35. As any existing applicant on the housing register will have been accepted under the current policy, it is recommended that this recommendation applies to future applicants who apply to join the housing register with no local connection of two years.
36. Seven of the Area Housing Forums supported the increase in the local connection criteria, 1 Area Housing Forum opposed the increase, and 3 asked for additional information.
37. The completed resident surveys produced the following results: 37% supported a six month residency qualification, 22% supported a one year residency qualifications, 17% supported a two year residency qualification, 10% supported a five year residency qualification and 14% did not know.
38. The workshop sessions produced the following results: 49% supported a six month residency qualification, 11% supported a one year residency qualification, 9% supported a two year residency qualification, 11% supported a five year residency qualification and 19% of residents attending the workshops did not know.
39. The outcome of the consultation shows that most people from both the Area Housing Forums and the survey respondents favoured an increase from the current 6 month criterion. The workshop sessions that were held as part of the consultation (60 residents) showed a preference for retaining the existing 6 month residency qualification. The general; consensus from this and the wider housing commission engagement exercise was that local connection is important. The futures steering board made up of tenant and leaseholder representatives also favoured an increase to 2 years.
40. The lettings review working group consisting elected members, housing association partners, tenant representatives, and officers from across the council recommended a two year residency qualification criteria to ensure local homes were allocated to local people.
41. **It is recommended that the local residency qualification is increased to two years and is implemented from the 1 November 2013 for existing and new residents.**

Re-housing residents on regeneration schemes

42. It is recommended that the housing allocations scheme includes the provision to:
 - Choose to move under Homesearch or move straight to new-build if available at time of decant

- If a new-build property is not available at time of decant, the tenant is given the option to return to a new build replacement property.
- Be prioritised for available lettings within the estate over applicants from outside the estate if this is the tenant's preferred option
- Option to choose extra bedroom only to be available to under-occupying tenants over the qualifying age for state Pension Credit, which over the next few years is increasing to 65. This will prevent tenants' inability to pay their rent being affected by changes in employment status in their new home given the government's changes regarding housing benefit reduction for under-occupiers from April 2013. It also helps to maximise effective use of council stock.
- That 50% of all allocations for the 1,000 properties initiative are allocated to existing tenants local to the redevelopment/new build scheme.
- That existing regeneration scheme are not affected by these changes were local agreements have previously been agreed by the council.

43. 9 Area Housing Forums supported the current approach to re-housing residents on regeneration schemes, 1 was equally split on the matter and 1 Area Housing Forum required more information.

44. The completed surveys on this matter by residents supported the approach to re-housing residents on regeneration schemes.

45. The majority of the Area Housing Forums, and residents completing the surveys supported the proposed policy.

46. **It is recommended that the above is implemented on the 1 November 2013.**

Defining overcrowding and awarding priority for statutory overcrowding.

47. It is recommended that the council adopts the government's bedroom standard and Welfare Reform bedroom standard in assessing whether a household is lacking one or more bedrooms, as set out below.

Household Make-Up	Bedroom Assessment
Single person	Bedsit/studio flat 1 bedroom flat
Couple and applicant who is pregnant	1 bedroom flat
Single pensioner or applicant who requires ground floor accommodation	1 bedroom flat or bungalow
Pensioners above the Pension Credit Age who require ground floor accommodation due to supported and proven medical reasons	1/2 bedroom flat or bungalow
1 child family	2 bedroom flat, maisonette or house
2 child family of same sex or opposite sex if child under 10 years of age	2 bedroom flat, maisonette or house
Family with 2 Children of same sex under 16	2 Bedroom flat, maisonette or house
2 child family with children of opposite sex and over the age of 10	3 bedroom flat, maisonette or house
3 child family	3 bedroom flat, maisonette or house
4 child family depending on family make up	3 bedroom flat, maisonette or house 4 bedroom house
5 child family	4, 5 or 6 bedroom house
6+ child family	4, 5 or 6 bedroom house

48. On statutory overcrowding, the recommendation is to amend the wording in the current policy to offer further clarification to ensure that households will not be treated as occupying overcrowded accommodation unless the overcrowding has come about by natural increases due to birth/adoption of a child or the addition of other persons to the household with the written consent of the authority.
49. 7 Area Housing Forums supported the retention of the ability for two children of the same sex to share until they reach the age of sixteen, 1 Area Housing Forum supported the age limit increasing to twenty one and 3 Area Housing Forums either divided equally or required additional information.
50. 59% of residents supported the retention of the ability for two children of the same sex to share until they reach the age of sixteen, 15% supported the age limit increasing to eighteen years of age, 12% supporting the age limit increasing to twenty one years of age, 9% did not know and 5% supported a different age limit.
51. The majority of all Area Housing Forums, and residents completing the surveys supported the retention of the sixteen year old limit and this complies with the government's Welfare Reform's criteria. Given this feedback, it is recommended that the council does not increase the age limit from 16 to 21years of age and will follow the criteria established in section 45 of this report.

52. **It is recommended that all future lettings comply with the above standard and no under-occupation is permitted with the only exception being applicants above the qualifying age for state Pension Credit downsizing to smaller accommodation being allowed to have a spare bedroom. It is recommended that this should take effect from 1 November 2013.**

Community Contribution and Employment

53. The Lettings Review Group gave consideration to community contribution as a way of enhancing priority on the housing register. For example awarding additional priority to volunteering. The recommendation is to provide additional priority for households making a voluntary contribution to the Southwark community.
54. The group also gave consideration to employment as a way of enhancing priority on the housing register. The recommendation is to provide additional priority for working households on the housing register.
55. 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 and follow best practice examples of Manchester City Council and Northampton.
56. The additional priority would be awarded that would ensure the applicant who is in employment and/or undertaking voluntary community contribution work would remain within the existing housing priority band but would be awarded additional priority within that priority band above other applicants of identical housing need.
57. 4 Area Housing Forums supported the enhanced priority for community contribution within the housing allocations scheme, 3 did not support this approach, and 3 required additional information.
58. 58% of residents completing the survey agree or strongly agree with the proposal to enhance priority for community contribution 27% of residents disagree or strongly disagree with enhancing priority for applicants who make a community contribution and 15% neither agreeing nor disagreeing.
59. 37% of people attending the workshops agree with the proposal to enhance priority for community contribution, with 37% disagreeing and 26% neither agreeing nor disagreeing.
60. From these results there is a majority of residents in favour of additional priority to those who make a community contribution. When asked what that contribution could be – working was generally least popular, with carers the most popular, then key workers and foster carers, closely followed by ex-Armed Service, with low income households being the most popular of who should live in Southwark council accommodation.
61. **It is recommended that applicants undertaking voluntary contributions and/or employment are awarded additional priority. This recommendation will require alterations to the Housing Register IT system and it is recommended that this is implemented on the 1 January 2014, in order to allow this IT upgrade to be completed.**

Eligibility Criteria for Sheltered Housing

62. The Lettings Review group recommends increasing the age of eligibility for sheltered accommodation to 65 years.
63. The group also recommended that any applicant, who is over 55 and has significant medical or mental health needs, should be considered for sheltered accommodation.
64. There was no consensus within the Area Housing Forums or from the residents who completed the surveys or from residents attending the workshops on this matter, with very few views expressed however of those who did express a preference, age 65 and over for those without a disability was the most popular response.
65. However, considering the introduction of the Welfare Reforms and changes to the pensionable credit age, it is recommended that the age for eligibility for sheltered accommodation is not 65 years of age but the relevant pensionable credit age, which will be subject to annual change in the future. This reflects changes to the national pensionable credit age and the fact that many people now work for longer.
66. **It is recommended that these changes to operate the age of eligibility for sheltered housing being the relevant pensionable credit age are implemented on the 1 November 2013.**

Property Ownership

67. It is recommended that the current wording in the Lettings Policy is amended for the purposes of clarification and interpretation. Therefore, applicants who own their own property will not be allowed to join the Housing Register. This recommendation also follows best practice examples in the London Boroughs of Ealing and Newham and Council's outside of London for example Northampton.
68. Unless exceptional circumstances apply, any applicants who own their homes, or own residential accommodation elsewhere, will not be considered for a housing allocation, these applicants will not be eligible to register. The applicant will be notified of this in writing and a copy retained on the file.
69. Where an owner-occupier requests permanent housing from the Council, they will be referred to the Homelessness and Housing Options service for advice about how to resolve their housing need. They will also be referred to Southwark's online advice and assessment tool where they can obtain information on a range of options to help resolve their particular housing need.
70. Applicants who have sold a property in the last 7 years will be required to provide the completion statement and proof of capital receipts to determine their priority.
71. Applicants who are owner-occupiers in need of temporary decanting whilst renovation for grant-aided works are being carried out, will be considered for assistance where they are able to demonstrate that they are unable to find their own temporary accommodation.

72. **It is recommended at that this change is implemented on the 1 November 2013.**

Local Lettings

73. It is recommended that local lettings policies may be drawn up centrally in consultation with tenants, residents and approved by cabinet as appropriate.
74. This recommendation relates to all property including the 1,000 new homes to be provided. 50% of all allocations for the 1,000 properties initiative will be allocated to existing tenants local to the redevelopment/new build scheme.
75. This will help strengthen the influence of residents in their local communities.
76. **It is recommended at that this change is implemented on the 1 November 2013.**

Sanctions for Refusing Offers

77. It is recommended that applicants through the bidding process be limited to refusing three property offers. Currently, applicants are allowed ten refusals under the current Southwark Homesearch scheme.
78. It is recommended that an applicant, who makes applications for housing and then refuses more than three offers within a period of one year, will be demoted to Band 4 of the Housing Register for twelve months. The applicant may then re-apply to join the housing register and a new priority needs assessment will be undertaken with the current/new housing needs being assessed and a new priority date and priority Band being awarded. This approach will follow similar examples adopted by the London boroughs of Ealing and Newham, and councils outside of London for example Manchester and Northampton.
79. Continuous refusals are holding up the lettings process which in turn affects void turnaround time and lost revenue. It is also administratively time consuming and costly.
80. It is also recommended that the removal of applicants from the Housing Register who have not submitted a bid for accommodation in the previous 12 months will take place to ensure the Housing Register records true and current housing needs.
81. **It is recommended at that this change is implemented on the 1 November 2013.**

Care Leavers

82. Southwark care leavers are presently granted Band 2 priority and permitted to bid for a one bedroom property. Due to the high demand for all property types in Southwark, it is recommended that the council restricts bidding in future to studio flats only.
83. This will apply unless the care leaver has either a medical recommendation for larger accommodation or they have a child residing with them.
84. **It is recommended at that this change is implemented on the 1 November**

2013.

Bedroom Size

85. As a result of the implication of numbers of bedrooms contained in the Government's Welfare Reform framework, it is recommended that references to bedroom sizes within the Housing Allocations scheme adopts the bedroom criteria contained within the Welfare Reform framework.
86. This will result in applicants only being allowed to be allocated properties that meet their housing need in accordance with the bedroom size criteria adopted by the Welfare Reforms. This will help to reduce under-occupation of affordable housing in the future
87. It is recommended that the Housing Allocations scheme adopts the framework contained within the 1985 Housing Act Part 10 to determine the size of bedrooms. This will result in all bedrooms below 50 square feet not being counted as a bedroom.
88. **It is recommended that this change is implemented on the 1 November 2013.**

Wider policy issues raised during the consultation process

89. The consultation process for the existing Lettings Policy allowed the council an opportunity to review its existing policy and consider national best practice examples, also to update the policy to reflect legislative changes or case law and in addition to this to consider additional policy issues that was raised during the consultation process by residents, stakeholders and partner agencies. The outcomes of this further review are as follows:

Armed Forces

90. It is recommended that additional priority will be awarded to people leaving the Armed Forces in housing need and these applicants will be placed in Band 1 if suffering serious injury and are therefore discharged from the Armed Forces. Band 2 priority status will be awarded for people leaving the Armed Forces and in housing need and this will comply with the Armed Forces Covenant. This being in accordance with the Allocation of Housing (Qualification Criteria for Armed Forces) (England) Regulations 2012, the local connection criteria do not apply to the following applicants:
 - (a) anyone serving in the regular forces or who has served in the regular forces within five years of the date of their application;
 - (b) anyone who has recently ceased, or will cease to be entitled, to reside in accommodation provided by the Ministry of Defence following the death of that person's spouse or civil partner where—
 - (i) the spouse or civil partner has served in the regular forces; and
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 - (ii) their death was attributable (wholly or partly) to that service; or
 - (c) anyone serving or has served in the reserve forces and who is suffering from a serious injury, illness or disability which is attributable (wholly or partly) to that service.

91. This approach also follows similar schemes in Manchester and Northampton that are viewed to be best practice examples and was popular with respondents during the consultation exercise.
92. In addition to this Southwark council has offered two properties a year to re-house Veterans through the Veterans' Nomination Scheme. The VNS is a successful, high-profile scheme providing independent accommodation for Veterans of the UK Armed Forces.
93. The VNS is run by Stoll Housing Association in partnership with The Royal British Legion, and has been set up to provide more secure accommodation for Veterans who are currently vulnerably housed in temporary or unsuitable accommodation.
94. **It is recognised that this recommendation will require alterations to the Housing Register IT system and it is recommended that this is implemented on the 1 January 2014, in order to allow this IT upgrade to be completed.**

Fostering and Adoption

95. It is recommended that additional priority will be provided for families undertaking Fostering and Adoption where a spare bedroom is required as per the Welfare Reform bedroom standard before the Fostering or Adoption can take place. These families will be placed in Band 1 of the Housing Allocations scheme.
96. This recommendation will assist the council with its corporate work and help to provide stability for children in the future.
97. **It is recommended that this change is implemented on the 1 November 2013.**

Localism Act sections 148 and 149

98. It is recommended that homeless people may be re-housed into the Private Rented Sector rather than a Social Housing tenancy to allow the council to discharge its homeless duty. The operation of this section of the Housing Allocations scheme will comply with the Homelessness (Suitability of Accommodation) (England) order 2012 SI No 2601.
99. **It is recommended at that this change is implemented on the 1 November 2013.**

Tenants who may become homeless due to fire, flood or through violence or threats of violence

100. It is recommended all tenants who become homeless due to fire, flood or through violence or threats of violence will be considered through Part 7 of the Housing Act 1996 and not Part 6. This will result in the council considering the tenant through the homelessness framework and not through the transfer of tenancy/housing register framework. This recommendation will ensure the council addresses the findings of the recent Ombudsman report published on the 18th June 2013, to allow council tenants to make a homeless application and to

ensure a more robust internal communication framework is in place between the different sections within the Housing and Community Services directorate.

101. **It is recommended at that this change is implemented on the 1 November 2013.**

Photographs of applicants joining the housing register

102. It is recommended that photographs of the applicants will be needed at the point of the housing application to join the housing register to help reduce housing fraud in the future. This currently takes place at the tenancy sign up stage, but the proposal is to introduce this as the application stage to eliminate tenancy fraud from the first point of contact with the service.

103. **It is recommended at that this change is implemented on the 1 November 2013.**

False statements

104. It is recommended that the council adopts the following sections of the Housing Act 1996:

Section 171(1) of the Housing Act 1996 makes it an offence for anyone, in connection with the exercise by a local housing authority of their functions under Part VI of the Housing Act 1996 to:

- Knowingly or recklessly make material false statements or
- Knowingly withhold information which the authority has reasonably required him/her to give in connection with the exercise of those functions
- A person guilty of this offence is liable on summary conviction to a fine of up to £5,000

105. **It is recommended at that this change is implemented on the 1 November 2013.**

Deliberately worsening the housing circumstances

106. It is recommended that where there is clear evidence and a conclusion can properly be drawn that an applicant has deliberately worsened their circumstances in order to qualify to join the housing register, then the applicant will not qualify to join the housing register.

107. **It is recommended at that this change is implemented on the 1 November 2013.**

Online Housing Application

108. It is recommended that in line with the council's channel shift approach and in order to reduce administrative burden of administering the housing register, the council formally approves this approach and all applicants will be required to complete the on line housing application to join the housing register. If applicants are not in a position to complete an on-line application themselves then the council will provide support to the applicant to enable this to take place.

109. **It is recommended at that this change is implemented on the 1 November 2013.**

Removal of suspension

110. It is recommended that the council removes the suspension when the applicant is on the Housing Register under Part VI and at the same time and applies under Part VII of the Housing Act 1996 as homeless to the council. This will allow the council to operate within the Housing Act and case law, and reduce unnecessary legal challenges and associated additional legal costs. This will allow a Part 6 application to remain on the housing register when a homelessness application is also being considered simultaneously.
111. It is recommended to remove the suspension of applicants who are 16/17 years of age from the housing register until they reach the age of 18. The applicant who may be 16/17 will be allowed to join the housing register if they had a legal guardian/guarantor to allow a tenancy to be granted to the applicant.

112. **It is recommended that this change is implemented on the 1 November 2013.**

Under-occupation

113. It is recommended that all allocations are made in accordance with the Welfare Reform bedroom criteria. This will result in housing allocations being made on the basis of bedroom need, and the previous Housing Allocations scheme of allowing residents to transfer to a property with an extra bedroom surplus to the assessed housing need will be terminated. This will assist the resident and the council to protect the resident's financial interests due to the Welfare Reform under-occupation penalties introduced by central Government in April 2013. Residents who have reached the qualifying age for state Pension Credit will still be allowed to transfer to a property with one additional bedroom through the SMART move scheme.
114. It is also recommended that residents who are under-occupying and are below the qualifying age for state Pension Credit are awarded higher/additional priority than all other applicants in Band 1. This will help to ensure they are re-housed before other applicants in Band 1 through the Choice Based Lettings bidding scheme. This follows a recent best practice example of Manchester City Council.

115. **It is recommended at that this change is implemented on the 1 November 2013.**

Tenancy Successions

116. Section 160 of the Localism Act 2011 introduced new statutory succession rights to secure tenancies that apply to tenancies entered into after 1 April 2012. These new statutory succession rights are less generous than those previously provided under the law. Consequently, in relation to such tenancies a person is only qualified to succeed if;
- (a) the person occupies the dwelling-house as his/her only or principal home at the time of the tenant's death, and

- (b) the person is the tenant's spouse or civil partner or was living with the tenant as if they were a spouse or civil partner and
 - (c) there has been no previous succession in relation to the tenancy.
117. Statutory succession rights in relation to tenancies entered into before the 1 April 2012 are unchanged.
118. The council may however use its discretion to allocate a new tenancy to a person who had been living with a deceased tenant but who does not have a legal right to succeed. There may be situations where the council considers it appropriate to exercise this discretion. It is recommended that the Lettings Policy be updated to deal with the exercise of this discretion. It is also recommended that responsibility for approving the use of this discretion in individual cases be exercised by the Group Service Manager of the Homelessness and Housing Options Service.
119. **It is recommended at that this change is implemented on the 1 November 2013.**

Annual Lettings Plan

120. It is recommended that the council will produce an Annual Lettings Plan; this will set annual targets for property types across all priority needs bands, and ensure applicants in the highest priority needs groups are re-housed as soon as possible through active support from the council.
121. **It is recommended at that this change is implemented on the 1 November 2013.**

Reduced priority due to failure of pre Transfer Inspection (for transfer applicants)

122. It is recommended that every council home must have a Pre-Transfer Inspection carried out before the tenant is allowed to join the housing register. The property must meet the void property lettable standard so that the property can be re-let within five days. If the tenant's home does not meet the current void/lettable standard the tenant will be placed in to Band 4 on the housing register. Once the tenant has improved or repaired the property to meet the void/lettable standard a new housing needs assessment will be completed and the tenant placed in to the appropriate housing priority group. This follows best practices examples of Manchester City Council and Northampton Council.
123. **It is recommended at that this change is implemented on the 1 November 2013.**

Policy implications

124. Most of the recommendations are providing further definition and clarification to existing policy.
125. 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.
126. 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.

127. 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. The equality analysis is attached as Appendix 3 to this report.
128. The council by adopting this new Housing Allocations scheme will be adopting national best practices.

Policy Changes

129. The recommendation to extend the residential qualification period from six months to two years will ensure that 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.
130. 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.
131. 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.
132. 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.
133. 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.
134. 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.
135. 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.
136. 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.

137. The removal of applicants from the Housing Register with substantial rent arrears will provide an incentive for these tenants to reduce their rent arrears before being re-housed.
138. 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

139. As well as being In line with the council's Fairer Future Principles, the new Housing Allocations scheme further contributes to the Council Plan.
140. 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.
141. Extending the qualification period from six months to two 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.
142. The Housing Options & Homelessness Service regularly carries out equality monitoring of Lettings and the Housing Register in general.
143. In order to ensure that no group is disproportionately disadvantaged a review will take place twelve months after implementation to make sure that there has been no detrimental impact on all protected characteristics that are outlined in legislation.
144. 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.
145. 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 two 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

146. 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.

147. 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.
148. 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.
149. 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.
150. 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

151. 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.
152. 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.
153. 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.
154. 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.
155. 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.
156. Consultation via formal consultative bodies - presentations were delivered to area housing forums, the tenant management organisation liaison committee and the housing, environment, transport and safety scrutiny sub committee.

157. 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.
158. 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. A summary of the feedback received from external and internal stakeholder consultation, as well as that gained from the formal consultations are located in Appendix 1 of this report.
159. 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 will be report to Cabinet in July 2013. By the end of this process the council will have engaged over a thousand residents in the conversation.
160. 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.
161. 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.
162. 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.
163. All Registered Social Landlords operating in the borough received an e-mail seeking views on sections 20 to 118 of this report, and the outcome of this consultation will be reported to the Cabinet meeting on the 16th July.2013.

Implementation

164. Following cabinet approval officers will need to undertake a number of administrative and procedural changes in order to implement the review changes.
165. For these reasons, it is recommended that the new changes are formally adopted for approval in accordance with the timescale suggested for each recommendation. 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

166. 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 other 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. As indicated in the report the council operates a lettings policy by way of compliance with statutory requirements.
167. This report contains a number of proposed changes to the current lettings policy many of which constitute significant policy changes. The law requires a local housing authority to send a copy of proposed alterations of a scheme that reflect major policy changes, before taking a decision on the proposals, to every private registered provider of social housing and registered social landlord with which it has nomination rights and afford those persons a reasonable opportunity to comment on the proposals. Members are referred to paragraphs 17, 19, 149, 157, and 158 that refers to consultation with registered social landlords that has taken place.
168. The law also requires consultation with those potentially affected by the changes. The housing register includes applicants who are existing council tenants as well as prospective new council tenants. Arguably broader consultation with wider Southwark residents may be required to include an opportunity for current residents who may apply for council housing/transfer in the future to comment on the proposals. The report indicates that extensive consultation has been carried out with tenants, other Southwark residents and interested groups. To meet legal requirements consultation must be undertaken when proposals are still at a formative stage; it must include sufficient reasons for the proposals to allow interested parties the opportunity to consider the proposal and formulate a response; it must allow adequate time for interested parties to consider proposals and formulate their response and the outcome of consultation must be conscientiously taken into account when the ultimate decision is taken. As significant policy changes are proposed members should be mindful of the potential for legal challenge and are advised to satisfy themselves from the information in this report that there has been proper consultation carried out in accordance with legal requirements.

169. Due regard must also be given the public sector equality duty 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. On considering the recommendations in this report, members should turn their mind to this duty and give regard to the information set out in the community impact statement and the equality assessment that is appended to this report.
170. The law further requires the council to have regard to its homelessness strategy, tenancy strategy and London Housing strategy. These strategies are referred to in paragraph 122 in the report.
171. If the recommendations are agreed a new policy document will be required and will need to be approved in line with the decision taking rules in the council's constitution before implementation of the recommendations.
172. As to the drafting of the proposed new policy document, the housing department will work closely with the council's legal department to prepare for implementation.

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

173. 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.
174. 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.

Background Papers	Held At	Contact
Housing Allocations scheme. http://www.southwark.gov.uk/downloads/download/3175/southwark_council_lettings_policy	Housing Options & Homelessness 25 Bournemouth Road, SE15	Ian Swift 020 7525 4089

APPENDICES

No.	Title
Appendix 1	Consultation Feedback
Appendix 2	Consultation slides
Appendix 3	Equality Analysis

AUDIT TRAIL

Cabinet Member	Councillor Wingfield, Deputy Leader and Cabinet Member for Housing	
Lead Officer	Gerri Scott, Strategic Director of Housing and Community Services	
Report Author	Ian Swift, Service Group Manager Housing Options & Homelessness	
Version	Final	
Dated	4 July 2013	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Director of Legal Services	Yes	Yes
Strategic Director of Finance and Corporate Services	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team	4 July 2013	