

26 March 2013

REPORT OF THE PORTFOLIO HOLDER FOR HOUSING**ALLOCATIONS POLICY****EXEMPT INFORMATION**

None

PURPOSE

To update Cabinet on key issues relating to demand for social housing in Tamworth. To seek approval for amendments to the Allocations Policy subject to the completion of consultation. The revised Policy is attached at Annex One to this report.

RECOMMENDATIONS

- ✓ **That Cabinet approve the draft policy subject to the completion of formal consultation**
- ✓ **That following the completion of consultation a further report is submitted to full Council by September 2013 to agree the final policy**

EXECUTIVE SUMMARY

Tamworth Borough Council's allocation policy is used to determine an applicant's relative priority for an allocation of social housing. This includes allocation of both Council housing and nominations to Registered Providers. The Council has also increasingly sought to maximise the role of the Private Sector Accommodation in meeting housing need. The existing Policy was approved by Cabinet in May 2010. Since this date legislative changes brought in by the Localism Act 2011 and the Welfare Reform Act 2012 mean that the policy now requires changes to be made in order to fully reflect the changing political climate and local needs. In addition increasing demand for social housing means that the Council needs to review its allocations policy to ensure that the best use is made of all available accommodation to meet housing need. A number of issues are impacting on the level and type of housing need within the borough. These issues include the implementation of Welfare Benefit Reform, the need to provide re-housing for residents affected by regeneration plans and the impact of the economic downturn.

This report makes a number of recommendations for changes to the current allocations policy. A detailed explanation of the proposed changes is shown at Annex Two to this report. Annex Two includes a description of the rationale for each proposed change and information regarding the alternative options considered. Key recommendations include:

The introduction of qualifying criteria for access to the Housing Register and the potential for the register to be closed;

The use of Private Rented Sector Accommodation, where suitable and available, to meet the needs of homeless households;

Changes to the bedroom need calculation to mirror that used for Housing Benefit calculation;

The application of a reduced preference for households applying from outside the Tamworth area and

Various changes to the way in which need is assessed.

RESOURCE IMPLICATIONS

At this stage the costs of consultation on this draft policy are not expected to exceed £2000 and will be met from within existing budgets.

LEGAL/RISK IMPLICATIONS BACKGROUND

The allocation policy approved in 2010 relied in the use of S167 Housing Act 1996 to determine which households would not qualify for an offer of accommodation as a result of unacceptable behaviour. As this section has now been repealed the authority needs to use the freedoms available under the Localism Act 2011 to frame a list of none qualifying characteristics that are reflective of local housing conditions. A full list of the characteristics which may be determined as making an applicant none qualifying are listed in the draft policy at section 2.4 and are subject to consultation with a final list determined in line with the approval of this report.

A risk assessment is attached to this report at Annex Three of this report.

As part of the consultation plan detailed in Appendix Two a full legal review of the proposals contained in this report will be undertaken.

SUSTAINABILITY IMPLICATIONS

The importance of housing in ensuring sustainable communities is well documented. Housing is central to our lives and impacts on our ability to prosper, to be safe and healthy and to achieve our aspirations. Most households will meet their own housing need without requiring direct support from the Council. However sizable minority of households will wish to access social housing for a variety of reasons. Ensuring that there is a fair and transparent means to assess the need for these households and ensure that housing assets are used to target those in greatest need is an important function of the Council delivered through its Allocations Policy. The policy needs to balance the need to provide support to those who need it whilst encouraging independence and motivation for those who can meet their own housing need to do so.

BACKGROUND INFORMATION

At a national and local level the demand for social housing is increasing whilst the supply is decreasing. This creates pressure on a local authority to determine that those households who achieve an allocation of social housing are those that are considered to fall into a 'reasonable preference group' as determined by the Housing Act 1996 as amended and are those for whom the need is confirmed at a local level.

In 2010 Tamworth Borough Council introduced the concept of choice based lettings and the allocations policy previously approved was framed to have regard to the legal responsibilities of the Council and introduce as much transparency into the allocations process as possible. This was significant change which placed the onus on applicants to bid for available properties with additional support through the bidding process provided for vulnerable households. The implementation of Choice based lettings has greatly increased the efficiency of the allocations process in targeting housing need. However further change is needed to ensure that best use is made of available housing stock in a changing environment.

At the current time there are 2164 households on the Council's Housing Register. During 2012/2013 a total of 303 allocations have currently been made from the Housing Register. Of these 245 were to Council properties and 58 by way of nominations to Registered Providers.

A number of national and local issues are presenting the Council with particular challenges in continuing to meet demand:

Impact of Welfare Benefit Reform

For the first time the Welfare Reform Act 2012 introduces penalties for social housing tenants of working age who are under occupying accommodation, with clear descriptions provided as to how a household will be assessed. In order to mitigate the financial impact on our social housing partners and our own retained landlord services it is imperative that the allocations policy reflects this assessment in order to avoid households being allocated property that is too large as defined by the Welfare Reform Act and therefore unaffordable for them.

Analysis of Council tenants affected by welfare benefit reform indicates that some 519 households are likely to be affected. Of these 132 have indicated that they will wish to move to smaller accommodation due to the welfare benefit changes. It is expected that as the reality of making additional rental payments hits home this number will increase.

Those households identifying that they wish to move have the following bedroom need:

Fifty Five require one bedroom properties
Sixty Six require two bedroom properties
Eleven require three bedroom properties

Based on historical data of Council owned stock availability, demand exceeds supply. It is therefore necessary to ensure the Allocations Policy manages expectations and ensures wider housing options are promoted, including renting in the private sector as well as signposting people into owner occupation. A realistic assessment of what the Council can provide is necessary to ensure a balanced approach to meeting its strategic housing obligations.

Wider reform to Welfare Benefits will also have an impact on housing need. The introduction of universal credit has been shown through the outcome of pilot programmes to have an impact on rent arrears levels. Over time this will lead to increased numbers of households made homeless as the result of eviction in both the private public rented sector. Although each eviction will lead to a vacancy inevitably there will be an increase in the number of households seeking support from the Council for re-housing.

This additional demand must be seen in the context of the number of allocations made. As described above a total of 333 allocations have been made so far this year.

Regeneration

Locally the Council has approved plans for the redevelopment of existing Council housing in the Kerria and Tinkers Green areas. As a result affected residents will require re-housing. A separate report refers to the potential impact of this regeneration.

However from these plans there arises a need to provide re-housing for a potential 137 households to require re-housing. Whilst a phased approach will be taken and a variety of options presented to those affected it is clear that these proposals will place additional pressure upon the available lettings through the Housing Register.

Economic Downturn

The global economic downturn continues to affect the financial wellbeing of many households and this inevitably impacts on the ability of households to meet housing needs. It is anticipated that this lack of economic resilience will result in grater levels of homelessness and a greater requirement for the Council to seek to support households in meeting and maintaining housing.

Overall there is a growing mismatch between the demand for social housing and the available supply. To improve this situation the Council has a number of strategic responses including:

Make best use of all available stock including developing the capacity of the Private rented Sector and reducing the number of empty homes
Increase the number of affordable homes by developing new housing including the development of new homes on underused garage sties
Develop new opportunities and funding solutions to deliver additional homes including the exploration of the use Special Purpose Vehicles to develop new housing
Prevent homelessness wherever possible through a combination of targeted support and advice

Legislative Changes

Since the policy was last reviewed there have been legislative changes, as outlined in the Legal Implications section of this report, that will impact on the sustainability of the current policy. The Localism Act 2011 has introduced the power for local authorities to make full use of the private rented sector when looking to discharge a homeless duty accepted to any household, as well as to offer Councils the freedom to make decisions at a local level to ensure that social housing allocations are made to those who most need them, and whilst no change has been made to the reasonable preference groups described in the 1996 Act, it is for the local authority to determine which, if any, of the households who apply for social housing who do not fall into a reasonable preference category are considered to be qualifying for an offer of accommodation. This allows the Authority to determine which groups of people might be refused access to accommodation either as a result of any defining characteristic including for example, anti social behaviour, criminal activity, income or assets.

The proposed changes to the policy attached at Annex Two are therefore for intended to support the Council in meeting housing need by:

Restricting access to the Housing Register for those who have no housing need or who could meet their own housing need

Making full use of new powers to house households within the Private Sector where available and suitable

Making changes to the allocations system where this helps to best target available properties to those with the greatest housing need

Consultation

The proposed changes to the policy will be subject to a formal consultation. A consultation plan with associated timescales is attached at Annex Three. Consultation will include a full legal review, development of an Equality and Health Impact Assessment.

In addition a delivery plan will be formulated prior to submission of final proposals to full Council in September 2013.

REPORT AUTHOR

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LIST OF BACKGROUND PAPERS

APPENDICES

Annex 1 Allocations Policy

Annex 2 What is being changed table
Annex 3 Consultation timetable
Annex 4 Risk assessment

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