

North East Derbyshire District Council

Cabinet

8 October 2020

Choice Based Lettings and Allocations Policy

Report of Councillor A Powell, Portfolio Holder for Housing, Communities and Communications.

This report is public

Purpose of the Report

- To seek approval of the draft Choice Based Lettings and Allocations Policy amendments.

1 Report Details

- 1.1 The Council's Allocations Policy details how Rykneld Homes Limited allocate the Council's housing stock. The policy also covers the allocation of properties belonging to Registered Providers and Housing Associations. A review has been carried out to ensure the policy is meeting the needs of the districts residents. The draft policy with the subsequent proposed amendments can be viewed in **appendix 1**.
- 1.2 For context as of 31st March 2020 there were 2,267 applicants on the housing waiting list, however 73% are not actively bidding for properties.
- 1.3 Applicants on the housing waiting list are banded into priority order these are;
 - Band 1 = 152 (6.7% in Emergency need)
 - Band 2 = 266 (11.7% in Urgent need)
 - Band 3 = 765 (33.74% in Moderate need)
 - Band 4 = 1084 (47.8% in General need)
- 1.4 From 1st April 2019 to 31st March 2020 there were 453 properties let. Each banding priority must have an opportunity to secure accommodation, therefore applicants in Band 1 are considered first, where there are no suitable applicants within this priority Band then the property will be cascaded through the other Bands, in priority order. During this period the percentage of lets to each band highlights that the majority of properties were let to Band 1 and 2 applicants, which is to be expected as those applicants have the most housing need. The percentage of allocations for each band are:
 - Band 1 = 31%
 - Band 2 = 34%
 - Band 3 = 22%
 - Band 4 = 11%

1.5 In partnership with Rykneld Homes an annual review of the policy has been carried out and key amendments have been identified, an overview of the proposals are below.

1.6 Proposed amendment 1 - Armed Forces Ex-Partners/Spouses

Propose to include relationship breakdowns where ex partners/spouses have to move out of a Ministry of Defence (MOD) property due to a relationship breakdown. Place in the same banding as armed forces personnel, band 2.

1.7 Rationale - this is to support the Derbyshire wide Armed Forces Covenant, which the Council is committed to.

1.8 Proposed amendment 2 - Moves that release an adapted/under occupied property

This category is currently in priority band 1, propose to move and place in priority band 2.

1.9 Rationale - with the implementation of the under occupation charge in 2013 it was imperative to give priority to applicants who need to move to a smaller property.

1.10 By moving this category's banding from Emergency to Urgent it will give those applicants that are in a housing crises first priority, for example, applicants who are homeless, fleeing Domestic Violence, medical condition or special circumstances where an emergency move is necessary for the health and wellbeing of the applicant.

1.11 Proposed amendment 3 - Applicants with equity, savings and/or Assets (Equity levels do not apply to existing Council tenants) - Remove Equity Level

1.12 Propose to remove equity levels and replace with a fairer person centred financial assessment, taking into consideration applicant's circumstances and their ability to access alternative accommodation.

1.13 Rationale - Currently applicants in the private sector with £30,000 or more savings/equity/assets are not able to register for housing unless they have special circumstances. Set equity levels can form a barrier to housing for those applicants with a housing need as properties may still be unaffordable to buy or rent on the open market, or personal circumstances may not allow access to this type of tenure or appropriate properties may be limited.

1.14 The financial assessment will be based on applicant's income/assets/equity and savings against the average market house price per property size based on the household's bedroom requirements. Assessments will be person centred taking into consideration any:

- housing need
- specialist housing requirements
- mortgage/financial restrictions (i.e. cannot get a mortgage)
- Assess if the private rented sector is an affordable and accessible housing option

1.15 Once the assessment is complete;

- A) If the assessment for market housing is an option and will be suitable to the applicants housing need – applicant will not be registered for Social housing.
- B) If the assessment for private renting is an option and will be suitable to the applicants housing need – restrict housing priority to band 4 on the Council's housing register.
- C) If the assessment is determined that both A and B (as above) are not a suitable option - applicants will be registered for housing and will be placed in the priority band in accordance with the usual Allocations Policy.

1.16 The draft proposed financial assessment can be viewed in **appendix 2**.

1.17 The draft proposed income/assets/equity and savings procedure table can be viewed in **appendix 3**

2 Conclusions and Reasons for Recommendation

- 2.1 The recommendations to include ex partners/spouses who have to move out of a Ministry of Defence (MOD) property due to a relationship breakdown will support the Derbyshire wide Armed Forces Covenant, which the Council has committed to.
- 2.2 The recommendation to move applicants who wish to downsize from band 1 to band 2 will enable those applicants in crises housing need to have the most priority, whilst still giving urgent priority to those who need to downsize and continue to allow the Council to make best use of its housing stock.
- 2.3 Recommending removing the blanket equity levels and creating a fairer person centred process will remove barriers to housing for those applicants with a housing need who cannot access alternative accommodation. The assessment process and procedure table will ensure openness and transparency to alleviate any discrimination.

3 Consultation and Equality Impact

- 3.1 During a four week consultation period a virtual tenant group meeting was held to discuss the amendments, all who attended was in agreement of the amendments
- 3.2 A further 102 responses were received during the consultation period, which included:
 - Email to all elected members
 - Ask Derbyshire website
 - NEDDC website
 - Rykneld Homes website
 - Letter to all Waiting List applicants
 - External Agency organisations
 - Rykneld Homes Consultation with the Choice Move Team

3.2 The results of the consultation are in the table below:

Consultation from 102 responses			
Proposed Changes	Agree	Disagree	No Response
1. Armed Forces - Ex partners/Spouses	78%	12%	10%
2. Moves that release an under occupied property	75%	21%	4%
3. Applicants with equity, savings and/or assets (equity levels do not apply to existing Council tenants)	68%	23%	8%

3.3 The existing Equality Impact Assessment (EIA) will be updated accordingly.

4 Alternative Options and Reasons for Rejection

4.1 An alternative option is not to include the armed forces ex partners/spouses however this was rejected as this helps the Council's commitment to support the Armed Forces Community and the Covenant.

4.2 An alternative option is for under occupied tenants to remain in band 1, however this was rejected as band 1 is to give priority to applicants who are in immediate housing crises. However if an applicant needs to downsize but is assessed as having a "Special case which requires an urgent and immediate need for housing", as stated in the band 1 priority in the policy, the applicant will be placed in the more appropriate band.

4.3 An alternative option is not to remove the £30,000 blanket equity levels, this was rejected as set equity levels can form a barrier to housing for those applicants with a housing need. Properties may still be unaffordable to buy or rent on the open market at this level, or personal circumstances may not allow access to this type of tenure, for example, due to applicants not able to get a mortgage, bad credit scoring or limited number of appropriate properties to meet the applicant's needs.

5 Implications

5.1 Finance and Risk Implications

5.1.1 Rent arrears due to the under occupation charge is a potential risk for people who need to downsize. However, of all the 2,267 applicants on the waiting list only a small number are in priority band 1 (6.7% across all categories within this banding group). This highlights that the amendment will affect a very small percentage of applicants. Also only 11.7% of all applicants are in band 2, but the most allocations were let to this band (34%) during the financial year 2019/20. This suggests that applicants who need to downsize will still be able to secure alternative accommodation and if there are any impacts of the amendment it will be minimal.

5.2 Legal Implications including Data Protection

- 5.2.1 There are no legal implications to the amendments and data protection will be in accordance with the Council's and Rykneld Homes Limited's data protection policy and procedures.

5.3 Human Resources Implications

- 5.3.1 There will be no human resources implications as existing employees at Rykneld Homes Limited will implement the amendments.

6 Recommendations

- 6.1 To approve the draft Choice Based Lettings (CBL) and Allocations Policy's amendments.

7 Decision Information

Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds: <i>BDC: Revenue - £75,000</i> <input type="checkbox"/> <i>Capital - £150,000</i> <input type="checkbox"/> <i>NEDDC: Revenue - £100,000</i> <input type="checkbox"/> <i>Capital - £250,000</i> <input type="checkbox"/> <input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i>	No
Is the decision subject to Call-In? (Only Key Decisions are subject to Call-In)	No
Has the relevant Portfolio Holder been informed	Yes
District Wards Affected	All
Links to Corporate Plan priorities or Policy Framework	All

8 Document Information

Appendix No	Title
1	Draft Choice Based Lettings and Allocations Policy
2	Draft financial assessment
3	Draft income/assets/equity and savings procedure table

Background Papers (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)

Report Author	Contact Number
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Report Reference –