

**Meeting** Executive  
**Portfolio Area** Housing and Housing Development  
**Date** 12 October 2023



## HOUSING ALLOCATION POLICY

### KEY DECISION

#### 1 PURPOSE

- 1.1 This report outlines the key changes to the Housing Allocation Policy.
- 1.2 The aim of the Allocation Policy, required under section 167 of the 1996 Housing Act, is:
- to meet the legal requirements placed on the council to give appropriate priority to applicants who fall under the Housing Act reasonable preference groups,
  - address housing need in the allocation of social housing,
  - clearly outline the process for applying for social housing within Stevenage,
  - make best use of housing stock,
  - maximise access and choice for applicants wherever practicable
  - and to meet the wider objectives of the council's housing and homelessness strategies.
- 1.3 Demand for social housing in Stevenage is high and continues to increase. An average of 784 applicants have joined our Housing Register each year over the last two years with an average of 164 applicants each year joining the transfer register for tenants. The proposed changes drive further

transparency with the housing allocations process and continue to ensure the focus on helping those with the greatest need.

## **2 RECOMMENDATIONS**

- 2.1 That the new Housing Allocation Policy, as attached at Appendix A, be approved and adopted.
- 2.2 That the policy be adopted on 1<sup>st</sup> July 2024, subject to confirmation of system build requirements and all applicants and relevant stakeholders have been updated.
- 2.3 That an easy read reference guide is created to accompany the policy.
- 2.4 That the impact of the proposed changes is monitored, and the policy is reviewed 12 months after implementation.

## **3 BACKGROUND**

- 3.1 To highlight the council's continued significant investment (£24.6 million) in its social housing stock, in June 2023/24 the Future Town Future Council (FTFC) strategic priority of 'More Social and Affordable Homes' was amended to 'More Social, Affordable and Good Quality Homes'. This change in focus not only represents the council's investment in new and existing social housing, but also pre-empts the new requirements of Registered Providers as set out in the Social Housing (Regulation) Act 2023.
- 3.2 As the cost-of-living crisis deepens nationally, Stevenage residents are struggling with the cost of maintaining a home. In August 2023, interest rates hit a 15 year high, forcing more people into the private rented sector. For those on benefits, the Local Housing Allowance (LHA) set by central government hasn't increased since 2020, whilst rents have continued to rise.
- 3.3 The average rental cost of a three-bedroom property in Stevenage is £1600 per month whilst the LHA rate is £1047.10 per month, leaving a shortfall of £552.90 for tenants to attempt to pay or face eviction. When housing costs are high and there is not enough affordable housing, many more households become overcrowded or are eventually faced with homelessness.
- 3.4 Demand for social housing by far outweighs supply within Stevenage as is seen across most local authority areas. As housing demand increases across a range of client groups such as those who are homeless and those with medical requirements, many of the current applicants on the council's Housing Register are unlikely to ever secure social housing.
- 3.5 The council's current Housing Register (including the Transfer Register and Housing Association Transfer Register) has approximately 4000 applicants registered. An average of 784 applicants have joined our Housing Register each year over the last two years with an average of 164 applicants each year joining the Transfer Register. In 2021/22 the council let 196 properties and 179 in 2022/23.

- 3.6 Local authorities have a duty to regularly review their allocation policies to ensure social housing focus is assisting those in most housing need including those overcrowded.
- 3.7 The 1996 Housing Act (as amended by the 2002 Homelessness Act) requires local authorities to make all allocations and nominations in accordance with an Allocation Policy.
- 3.8 Councils are required to give Reasonable Preference in their allocation policies to people with high levels of assessed housing need, this includes those who:
- are owed certain homelessness duties
  - are occupying insanitary or overcrowded housing
  - need to move on medical or welfare grounds
  - need to move to avoid hardship to themselves or others.
- 3.9 Local authorities are also required to offer applicants the opportunity to have a choice about the housing accommodation to be allocated to them.
- 3.10 The council's existing policy was implemented in January 2015. The six key changes were to:
- strengthen the existing local connection criteria
  - exclude homeowners from the housing register
  - strengthen sanctions for those who behave antisocially or have housing related debts
  - move from a points system to a banding system of prioritising applications
  - create a separate transfer register for council tenants
  - introduce quotas across all bands.
- 3.11 Subsequent revisions of the policy took place in July 2015, January 2016 and March 2018, that included:
- applicants 55 and over being considered for first floor un-lifted sheltered accommodation
  - older persons who do not have a local connection to Stevenage being considered for low demand sheltered housing
  - the inclusion of homeowners in Stevenage eligible for sheltered accommodation only who sell their homes to the council in accordance with the Buy Back Policy
  - residents of the North Herts area of Great Ashby no longer being eligible
  - the local connection rule based on employment only being suspended
  - the addition of the five years in the last seven local connection criteria.

3.12 In response to specific requirements of the Social Housing (Regulation) Act 2023, the Executive agreed two policies in July 2023, with the aim to better manage the council’s housing stock and assist those most in need:

- The Under Occupation Policy - this supports tenants wishing to downsize to more suitable accommodation whilst freeing up larger properties for overcrowded families.
- The Local Lettings Policy for the allocation of Independent Living, Flexicare and Designated Older People Accommodation – this policy recognises Stevenage’s ageing population and will ensure that the council meets the needs of older people and complex cases requiring specific property types and support.

**4 REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS**

4.1 The new Allocations Policy as seen in Appendix A applies Reasonable Preference in line with the homelessness duties that were introduced by the Homelessness Reduction Act 2017.

4.2 The proposed changes to the Allocation Policy will also further strengthen the council’s ability to meet the Consumer Standards arising from the Social Housing (Regulation) Act 2023.

4.3 To help frame the proposed policy, consultation on seven proposals took place for eight weeks beginning in October 2022. To allow for more face-to-face discussions, a further two weeks of consultation was carried out in December 2022.

4.4 Key groups across the community were consulted including Housing Register applicants from all bands, those not on the register, older people, single people, homeless, minorities and those with disabilities. Key stakeholder organisations were also consulted including housing associations, Hertfordshire County Council and Mental Health Services.

4.5 The council’s Community Select Committee was also consulted and provided feedback in March and September 2023 to help shape the policy. The Leader of the Council and the Portfolio Holder for Housing and Housing Development have also been consulted.

4.6 A detailed evaluation of the consultation responses with background information and demographic information can be seen in appendix B.

4.7 The table below shows the proposed changes to the policy and the reasons why:

Change to Policy	Reason
Applicants without a housing need would not be	<ul style="list-style-type: none"> <li>• Demand outstrips supply.</li> <li>• Those most in need would be allocated social housing.</li> </ul>

<p>able to join the Housing Register.</p> <p>A Housing need refers to those in reasonable preference groups including those who are owed certain homelessness duties, occupying insanitary or overcrowded housing, need to move on medical or welfare grounds and need to move to avoid hardship to themselves or others.</p> <p>Applicants' ineligible to join the register will include those adequately housed in the private rented sector and single people or couples with no housing need that are sharing a home with another household.</p>	<ul style="list-style-type: none"> <li>• Greater transparency. Current applicants unlikely to secure housing will not be eligible to join the register.</li> <li>• Supported in consultation.</li> </ul>
<p>Reduce the number of Bands from 6 to 3.</p>	<ul style="list-style-type: none"> <li>• Fewer bands would be easier for applicants to understand.</li> <li>• Changing the banding is an opportunity to re-communicate about the housing register and manage expectations.</li> <li>• Supported in consultation.</li> </ul>
<p>Change the name of bands to 1 to 3.</p>	<ul style="list-style-type: none"> <li>• Changing to band numbers would avoid applicants comparing to their previous bands and interpreting their position incorrectly.</li> <li>• Recommended by Community Select Committee.</li> </ul>
<p>Removal of applicants who have not submitted a bid in a year.</p>	<ul style="list-style-type: none"> <li>• Those not bidding for over a year, unless they have a good reason which will be verified, are unlikely to have a true housing need.</li> <li>• The Housing Register would be true reflection of those in housing need.</li> <li>• Supported in consultation.</li> </ul>
<p>Removal of quota that gives applicants across bands A to E a share of the homes available each year.</p>	<ul style="list-style-type: none"> <li>• Properties would be let to those most in need.</li> <li>• Supported in consultation.</li> </ul>

<p>Bedroom Standard altered - Same sex sharing a bedroom raised to 18 from 16.</p>	<ul style="list-style-type: none"> <li>• Demand outstrips supply.</li> <li>• The short supply of larger properties will be allocated to those with older household members and different sexes.</li> <li>• Only 56% support in consultation for removing any age limitation to sharing a bedroom meaning adults of the same sex would share.</li> <li>• Community Select Committee recommended some age restriction. Code of Guidance recommends 21 but this was felt to be too old to share a bedroom.</li> </ul>
<p>Removal of the policy line that allows families with two young children to secure three-bedroom properties.</p>	<ul style="list-style-type: none"> <li>• To meet the immediate demand of overcrowded families.</li> <li>• Current policy inflates the housing need of those with young children and restricts those with genuine overcrowding to be successful in bidding.</li> <li>• To avoid those being subject to spare room subsidy.</li> <li>• Prevents the current practice of those mutually exchanging to another property and are therefore eligible for properties with one extra bedroom, being eligible to exchange into four-bedroom properties. This would ensure that larger households are more likely to exchange into any available four-bedroom properties.</li> </ul>
<p>Those applicants owed homeless duties to be included on the Housing Register.</p> <p>Discretion has been applied to the statutory homeless duties meaning that those owed a prevention or relief duty are required to meet the Allocations Policy eligibility criteria including local connection.</p>	<ul style="list-style-type: none"> <li>• Required by Homeless Reduction Act 2017. All homeless duties to be given reasonable preference. The Council can apply discretion but cannot make a whole group owed a particular duty ineligible.</li> <li>• Staggered reasonable preference with highest priority to those owed main duty or those in relief duty who are likely to be owed main duty to relieve pressure on emergency and temporary accommodation.</li> <li>• The Allocation Policy eligibility criteria including local connection has not been applied to those owed the main housing duty as this would inhibit move on from temporary accommodation.</li> </ul>
<p>Priority banding to pregnant applicants or those with children who are sharing a home with family or friends and who meet the Allocation Policy eligibility criteria, are</p>	<ul style="list-style-type: none"> <li>• To reduce demand on temporary accommodation. The number of homeless cases as a result of family or friends no longer willing or able to accommodate is currently on average 45% of all homeless presentations in Stevenage.</li> </ul>

<p>owed a homelessness prevention duty that has ended and have been allowed to stay at home for at least a year whilst they bid for social housing.</p> <p>Offers band 3 priority for 6 months which is then boosted to band 2.</p>	<ul style="list-style-type: none"> <li>• The proposed change may also lead to those losing their accommodation in the private rented sector staying with family and friends for at least a year rather than presenting immediately to the council as homeless.</li> </ul>
<p>Housing debt exclusion – those with rent arrears or other housing related debt of over £1000 will not be eligible to join the Housing Register or can qualify but not be entitled to be made an allocation of housing until the debt is resolved according to the criteria of the policy.</p>	<ul style="list-style-type: none"> <li>• To provide clarity for tenants and prospective tenants. The current policy refers to the number of weeks in arrears.</li> <li>• To provide an incentive to applicants to clear arrears and seek support.</li> </ul>
<p>Care leavers to be given the opportunity to bid on 1-bedroom properties and also band 1 priority.</p>	<ul style="list-style-type: none"> <li>• Care leavers are currently only permitted to bid on studio accommodation. Availability of this type of accommodation is very limited and results in care leavers waiting for extended periods to secure a home. The change will speed up their ability to move on when they are assessed as ready to live independently.</li> <li>• Makes best use of stock available.</li> </ul>

4.8 Local Registered Providers will continue to make nominations via the Housing Register and in doing so will meet the new Consumer Standards that require them to co-operate with local authorities' strategic housing functions and assist local authorities to fulfil their housing and homelessness duties.

4.9 A detailed implementation plan is being finalised and will start to be implemented once the Executive has approved the Allocations Policy, with the aim for the policy to be adopted by 1<sup>st</sup> July 2024. The Housing IT systems team will assess the required changes to the system and may require consultancy support before implementation. This will be scheduled into their work plan.

- 4.10 Officers will attend training to ensure that not only those officers managing the Allocations Policy, but all officers engaging with residents, will have a good understanding of the changes to the policy.
- 4.11 A straightforward guide to how residents can join the Housing Register will be developed and communicated through different channels. All current Housing Register applicants will be contacted individually to explain what the changes mean to them before implementation.
- 4.12 Continuous monitoring of the impact of the policy and feedback from all stakeholders will be taken into consideration from implementation to avoid any disproportionate effects on any groups. A revision of the policy will be carried out a year after implementation.

## **5 IMPLICATIONS**

### **Financial Implications**

- 5.1 Implementation of the scheme will be carried out within existing resources. Any consultancy costs for systems changes which may arise will be included in the Housing Revenue Account budget setting process.

### **Legal Implications**

- 5.2 The 1996 Housing Act requires local authorities to make all allocations and nominations in accordance with an Allocation Policy. A summary of the Allocation Policy must be published and made available free of charge to any person who asks for a copy.
- 5.3 The Housing Act 1996 requires councils to give Reasonable Preference in their Allocation Policy to people with high levels of assessed housing need who are defined as:
- all homeless people as defined in Part VII of the Housing Act 1996 (whether or not the applicant is owed a statutory homeless duty)
  - people who are owed a duty under Sections 189B, 190 (2), 193 (2), or 195 of the Housing Act 1996 (or under Sections 65 (2) or 68(2) of the Housing Act 1985) or who are occupying accommodation secured by any Housing Authority under Section 192 (3)
  - people occupying insanitary, overcrowded or otherwise unsatisfactory housing
  - people who need to move on medical or welfare grounds (including grounds relating to a disability)
  - people who need to move to a particular locality within the area to avoid hardship to themselves or others.
- 5.4 The scheme must be framed so as to give additional preference to a person with urgent housing need, which means an applicant who falls within one or more of the categories above and/or who has certain connections with armed



forces. Additional preference may also be given to other persons in urgent housing need who fall within the above categories.

5.5 When allocating properties, a council's allocation policy can take account of:

- the financial resources available to a person to meet their housing costs;
- any behaviour of a person (or of a member of their household) which affects their suitability to be a tenant;
- any local connection which exists between a person and the authority's district.

5.6 The Housing Act 1996 also requires councils to state within their allocation policies, their position on offering applicants a choice of housing accommodation or offering them the opportunity to express a preference about the housing accommodation to be allocated to them. The council's policy on choice is detailed in appendix B, section 4 of the Policy.

### **Risk Implications**

5.7 Current guidance requires the council to review the Housing Allocation Policy on a regular basis to ensure compliance with case law and to identify any mitigation required to offset legal challenges.

### **Policy Implications**

5.8 This report is wholly concerned with the policy for the allocation of the council's housing stock. The recommendations are made to ensure that the council has greater control in deciding who qualifies for an offer of social housing.

5.9 The proposed new Housing Allocation Policy will mean that allocations of social housing are prioritised to those in housing need who have a commitment to Stevenage and will help the Council to ensure the best use of the housing stock.

### **Equalities and Diversity Implications**

5.10 A comprehensive Equalities Impact Assessment of the Allocation Policy has been carried out and can be seen in Appendix C. A further assessment will be carried out in November 2023, when the implementation plan is finalised.

5.11 The proposed policy will have a positive impact on a number of groups with protected characteristics, including:

- those at socio-economic disadvantage such as those living in overcrowded accommodation and homeless applicants will have priority banding.
- only those with a housing need will be eligible to join the Housing Register leading to those with medical priority including those with a disability having a greater chance of securing a property.
- the insecurity of being pregnant and sharing accommodation with another household will be given greater consideration and for those

threatened with homelessness, priority will be awarded in some circumstances.

- Independent Living properties will be let by direct offer entirely outside of the bidding system, which will give older people more targeted support should they require it.
- the policy gives Gypsy or Traveller households consideration when applying the residency criteria where the applicant may not fully meet the five years in the last seven rule, if that period has been broken by travelling but the applicant has spent the majority of the time residing in Stevenage.

### **Information Technology Implications**

- 5.12 Changes to the NEC Housing Management system to include the necessary changes to the allocation module and may require consultancy.

### **BACKGROUND DOCUMENTS**

BD1 Allocations Scheme 2014

BD2 Executive report Review of the Allocations Scheme

### **APPENDICES**

A Allocation Policy 2023

B Evaluation of responses with background information and demographic information from consultation on proposed changes to Allocation Policy

C Equality impact assessment