

**Report of:** Community Housing Business Manager

**To:** Executive Board

**Date:** 16<sup>th</sup> April 2007

**Item No:**

**Title of Report :** Proposed changes to the Allocations Scheme including the introduction of Choice Based Lettings

### Summary and Recommendations

**Purpose of report:** To present recommendations for changes to the allocations scheme in order to introduce a banding priority scheme and a Choice Based Lettings Scheme

**Key decision:** No

**Portfolio Holder:** Councillor Patrick Murray

**Scrutiny Responsibility:** Housing Scrutiny

**Ward(s) Affected:** All

**Report Approved by:**

**Portfolio Holder:** Patrick Murray

**Legal:** Jeremy Thomas, Legal & Democratic Services

**Finance:** Suzan Smart, Financial & Asset Management

**Strategic Director:** Michael Lawrence and SMB

**Policy Framework:**

Providing more Affordable Housing  
Service Improvement

Reducing Social Exclusion

**Recommendation(s):**

Executive Board are asked to consider this report and to make the following recommendations to the full Council:

- (1) Approve the adoption of the new Allocation Scheme at Appendix I, to introduce banding as the method of determining priority
- (2) Delegate to the Business Manager, Community Housing, the authority to set the effective date for the Allocation Scheme at Appendix I. This date is to be 1<sup>st</sup> May 2007 or within a period of one month following this date

- (3) Approve the adoption of the new Allocation Scheme at Appendix II, to introduce Choice Based Lettings
- (4) Delegate to the Business Manager, Community Housing the authority to set the effective date for the Allocation Scheme at Appendix II. This date is to be 1<sup>st</sup> December 2007 or within a period of one month following this date

In addition, Executive Board are asked to:

- (5) Delegate the Business Manager, Community Housing, the authority to make minor editorial changes to either scheme, prior to full Council agreeing these
- (6) Request officers to prepare a summary briefing paper for all members on these changes, and organise a member briefing seminar prior to the implementation of the CBL Scheme

## **Introduction**

- 1 The recommendations are part of the phased introduction of changes, which will bring about a choice based lettings scheme for Oxford City Council in 2007. This will make the allocation of properties a more transparent process and is in line with government requirement to increase customer choice and make more effective use of social housing. The government requires that Choice Based Lettings schemes are introduced by 2010, so we remain ahead of this target.
- 2 Implementation of Choice Based Lettings started with the introduction of the Oxford Register for Affordable Housing, common housing register for Oxford City Council and its partner RSLs in December 2006.
- 3 The proposed changes will allow the introduction of a banding scheme in the summer of 2007, so that home seekers and support agencies will be fully conversant with banding before the full choice based lettings scheme is introduced in late 2007. Introducing the changes gradually enables home seekers, staff, support agencies and other stakeholders to adapt successfully before a further change is put into place. It is essential to introduce banding ahead of CBL to ensure that applicants are in bands and in a position to start bidding on "go live" date.

## **Background**

- 4 The project plan for the implementation of choice based lettings in Oxford, was agreed by Executive Board on 10<sup>th</sup> October 2005. This included a timetable for the project, with a Choice Based Lettings scheme proposed for Oxford, by 1<sup>st</sup> October 2007.
- 5 The Executive Board approved a report on 19<sup>th</sup> June 2006. This gave approval to the Choice Based Lettings team to:

- Continue to work on the CBL project in accordance with the project plan
  - Draft a new allocation scheme using a banding approach
  - Consult with stakeholders on the redrafted allocations scheme
  - Implement a choice based lettings scheme in which properties are advertised and applicants can make a limited number of bids by automated telephone line, SMS texting, paper coupons and through a website; in a two week cycle
  - Procure ICT equipment capable of meeting these requirements
- 6 Oxford City Council has formed the Oxford Register for Affordable Housing Partnership with the major stockholding or developing registered social landlords in Oxford. A common housing register was developed as part of the work of the partnership and came into effect from 1<sup>st</sup> December 2006.
- 7 Details of people seeking social housing in Oxford are held on one register maintained by the Council. At least 90% of all social housing vacancies are being let through the register. This is the first stage in a simpler and more transparent process for people wanting to apply for social housing, and will enhance the performance of the Choice Based Lettings scheme
- 8 Oxford City Council is also the lead authority in a partnership with Cherwell District Council, Vale of White Horse District Council and South Oxfordshire District Council. The purpose is to implement a sub-regional scheme for Choice Based Lettings, which will provide a more consistent approach to the allocation of social housing and will improve cross county mobility for social housing tenants.
- 9 The partnership will shortly be formalised by a partnership agreement. Further consultation with residents, Registered Social Landlords and statutory and voluntary agencies will begin, and the subregional scheme will be developed. This will be the subject of a further report to the Executive Board and full Council.

### **Consultation**

- 10 We have carried out extensive consultation with: statutory and voluntary agencies; with home seekers; with Oxford City Council and Registered Social Landlord tenants; community groups, tenants and residents' associations; the Oxford Tenants Panel, Oxford City Council and Registered Social Landlord staff and with the general public. The consultation revealed that there was a low level of understanding of the current points scheme amongst the public, tenants and statutory voluntary agencies. Those consulted were in favour of choice based lettings. A majority of those consulted felt that a simplified priority scheme was important to increase understanding of how priority is assessed.
- 11 A more limited statutory consultation has been carried out on the new

Allocations Schemes proposed in this report

- 12 The Housing Advisory Board members have been sent the proposed changes to the priority scheme

### **Banding Scheme – Allocation Scheme 1**

- 13 This is the current Allocation Scheme plus changes to allow for banding, and other urgent changes
- 14 The banding scheme proposed to the Executive Board on 19<sup>th</sup> March 2006 was considered and amended in view of the consultation carried out and further legal scrutiny
- 15 There are six bands, which reflect broad categories of housing need, from very high to very low. Applicants in all bands will be entitled to receive information about other housing options, including low cost home ownership, key worker accommodation, shared ownership, mutual exchange and private rented accommodation.
- 16 The Bands are as follows:

Band A: Exceptional Priority  
Band B: Urgent Priority  
Band C: High Priority  
Band D: Significant Housing Need  
Band E: Identified Housing Need  
Band F: No Priority

- 17 Bands A & B will have a small number of applicants in them, meaning that they should be housed quickly. Band C includes statutory homeless households and Band D, other homeless households
- 18 Compound needs are met by the ability to move up to both Bands B & C, if you are in the band below but meet more than 1 of the criteria of that band. There is also the ability for an applicant to be awarded a band, for which they would not otherwise qualify, by the Exceptional Circumstances Panel (ECP), if an applicant's needs are not adequately addressed through the banding system. The ECP can award Bands A-D. Officers using the ECP protocols can award Band E. An ECP award cannot be compounded with another need to result in promotion to a higher band as the ECP are expected to take **all** circumstances into account when making their award.
- 19 Applicants may also be awarded a band by the Health and Housing Assessment Panel (HAHA Panel). The HAHA Panel can award to Bands B or D. Officers using the HAHA protocols can award Band E

### **Circumstances Which No Longer Attract Priority**

- 20 In simplifying the scheme and enhancing its clarity, some of the subtlety of the previous points based scheme has been lost. This is outweighed by the ease of understanding of a banding scheme
- 21 Details which longer appear in the scheme are enhanced priority for applicants:
- In receipt of benefits  
*It was felt that this was unfair to those on low wages and in the 'poverty trap', but who were not receiving DWP benefits*
  - Families without gardens  
*Given current stock, we need to allocate families to flats, and this is a level of detail that will complicate a simplified banding scheme*
  - Children at height  
*We need to allocate families to flats, and this is a level of detail that will complicate a simplified banding scheme*
  - Families with children  
*Families are only shortlisted against other families, so the additional priority is meaningless*
  - Separated families  
*There a very few points awarded under this category, and of those there are, priority can be addressed through other means*
  - Sharing facilities  
*Most single applicants share facilities and this would substantially skew the bands. Families sharing can be addressed elsewhere by the scheme*
  - Non-standard accommodation  
*The quality and suitability of the accommodation will be assessed, not the type. Households could be well accommodated in a mobile home or a boat, for example*
  - Elderly people  
*Elderly people are short listed only against other elderly people, so the additional priority is meaningless. Increased priority on age alone would substantially skew the bands. Consideration is still given to support needs and suitability of current accommodation*
  - Gender overcrowding  
*As a result of the simplification to bands, the additional priority for those aged over 5 sharing a room, has been removed, it has been retained for those over 10 years old*
  - Temporary or insecure accommodation  
*Applicants whose private sector landlord has obtained a court order entitling him to obtain possession will be awarded priority. This requires a higher standard of proof that the accommodation is insecure. Priority is no longer given to applicants who have received valid written notice but where court proceedings have not been taken.*
  - Time in temporary accommodation  
*This has been replaced by all applicants receiving recognition of waiting time within bands. Applicants accepted as statutory*

*homeless are given priority through the band they are placed in*

## **New Items**

22 In reviewing the priority scheme, and introducing bands, some additional elements have been added:

- Applicants who have a local connection will always have priority over applicants in the same circumstances who do not.  
*This recognises the need to address Oxford's significant housing needs while also complying with recent DCLG guidance*
- Disability requirements are recognised more clearly as separate from medical need in the allocations scheme  
*To improve service to disabled customers and better meet legislative changes*
- Statutorily overcrowded applicants are awarded highest priority (Band A)  
*This is a substantially increased weighting and recognises a significant problem for a small number of households in Oxford, who would otherwise apply as homeless*
- Households with two or more bedrooms short are awarded Band B priority.  
*This is a substantially increased weighting over the current scheme and recognizes that this is a substantial problem for some households that can lead to numerous other issues, including homelessness*
- All applicants get priority based on time waiting on the register.  
*This prevents leap-frogging of applicants already registered and gives users much more certainty as to their likelihood of getting re-housed. It also recognizes time on the register for applicants who are not statutory homeless*
- Compound needs are met by awarding a higher band.  
*This ensures that compound needs are addressed*
- New move-on scheme for care leavers  
*This reflects our increased partnership working with Oxfordshire County Council Social and Community Services. It also directly addresses the needs of a group who may otherwise present as homeless*
- Housing Health And Safety Rating System (HHSRS)  
*The scheme has been updated to take account the new risk assessment procedure for residential properties which replaced the Housing Fitness Regime from the 6 April 2006 in England in the Environmental Health Service's classification of properties under the HHSRS system. HHSRS also replaces the Fitness Standard as an element of the Decent Homes Standard.*
- The Exceptional Circumstances Panel  
*This has an enhanced role in considering cases of housing need and has the ability to make awards to Bands A-D, (or officers to Band E, using the ECP protocols).*

## **Changes To The Allocations Policy As A Result Of The ORAH Partnership**

### **Eligible Age**

- 23 The age limit for acceptance on to the register will be reduced from 18 to 16, although 16/17 year olds will not qualify for most offers of accommodation

### **Exceptional Circumstances Panel**

- 24 Changes will be made to the Exceptional Circumstances Panel, to accommodate the inclusion of RSL staff as part of the ORAH partnership. The names of the awards will change to reflect the new banding scheme. Facilitating changes have been made to Scheme 1.

## **Other Changes To The Allocation Scheme**

### **Succession**

- 25 Changes resulting from the Housing Act 2004 will be incorporated into the Allocations Scheme. The Act gives civil partners the same rights to succession as spouses.
- 26 Current practice on discretionary successors will be modified and incorporated into the Allocations Scheme. The modifications will be made to the categories of policy successors in order to enhance the use of social housing stock

### **Joint to Sole and Sole to Joint Tenancies**

- 27 Decisions are delegated to the Manager responsible for Allocations on the recommendation of the Tenancy Operations Manager

### **28 Eligibility for Property Types**

- 29 The following changes are introduced:
- Applicants with three dependants will be eligible for three bedroom parlour type properties (three bedroom properties with two downstairs reception rooms – one of which could be used as bedroom accommodation)
  - Expectant mothers will be eligible for allocations as if the child has been born three months before the estimated date of delivery
  - Sheltered and designated elderly properties will only be allocated to applicants who have been assessed as eligible
  - Couples are no longer given preference when allocating bungalows

## **Items Considered, But Not Introduced**

### **30 Home Choice Applicants**

Applicants who have secured housing through the Home Choice scheme might have been awarded the same priority as statutorily homeless applicants. However, the decision was taken not to award such applicants any specific priority. The reasons for this are:

- Home Choice applicants are adequately housed in the private rented sector and it was felt that they should not be prioritised over other private rented sector tenants to whom the Council has not assisted with a deposit
- Prioritising Home Choice applicants would sit uncomfortably with our legal duty to prioritise 'reasonable preference' groups
- We do not have a homelessness duty to these applicants
- The scheme is working well at present without giving these applicants a priority
- After modelling the scheme it was considered that Home Choice applicants would distort the bands and risk the Council not being able to lower numbers in temporary accommodation and discharge duty to applicants accepted as statutory homeless

## **Implementation**

### **Conversion From Points To Bands**

- 31 It will be necessary to review all the applicants on the Housing Register and convert their points to a place in the banding scheme
- 32 Training will be needed for Oxford City Council staff, partner RSL staff, and staff from statutory and voluntary agencies, as well as informing the public about the changes
- 33 The proposed new Allocation Scheme 1 (Banding) is attached at Appendix I. This is expected to be effective from 1<sup>st</sup> July 2007. The project plan originally set this date as 1<sup>st</sup> May 2007, but this date is no longer achievable due to the following circumstances:
  - a) Further time is needed to review all the applicants on the waiting list and convert their points to a place in the banding scheme
  - b) Further time is needed to enhance and customise our ICT system to assess bands

Should a further delay occur, it is not expected to be more than one month.



## **Choice Based Lettings – Allocation Scheme 2**

### **Banding**

- 34 The Allocation Scheme 2 attached at Appendix II retains the banding scheme from the Allocation Scheme 1; introduces Choice Based Lettings; and revises the rest of the scheme

### **Implementation Date**

- 35 It was proposed to introduce a Choice Based Lettings scheme in October 2007. It is now recommended that this date be delayed to 1<sup>st</sup> December 2007. This maintains the same time-gap from the introduction of banding. In addition:

- a) Further time is needed to design and set up the new ICT system
- b) Delaying the implementation is advantageous by enabling the ICT system set up for sub-regional working, to be carried out at the same time. This produces a small cost saving to the Council and saves time in moving to sub-regional working early in 2008.

Should a further delay occur, it is not expected to be more than one month (i.e. to 1<sup>st</sup> January 2008). It may be necessary to launch on this date if the 1<sup>st</sup> December date is missed, so as not to introduce the new scheme just prior to the Christmas holiday period.

### **Bidding**

- 37 Properties will initially be advertised on a two weekly cycle. The length of the cycle may be changed at a later date, if this will improve the efficiency of the service
- 38 Applicants will be able to bid in a variety of ways, and those applicants who find difficulty with the bidding system will be offered support by ORAH staff (including Oxford City Council staff) or referred to support agencies

### **Offers**

- 39 The successful bidder will usually be the eligible applicant in the highest band with the longest waiting time. Applicants with a local connection will be preferred over applicants without local connection
- 40 The manager responsible for allocations has the discretion not to offer a property to an applicant if there is a question of personal safety involved e.g. in cases of domestic violence

### **Sanctions**

- 41 The following sanctions may be applied. In all cases, applicants should

be warned in writing of the consequences and given a further reasonable period to bid on and accept a property.

42 Statutory Homeless Applicants to whom the Council has a duty

Where applicants have failed to bid on properties suitable for them, despite a reasonable number becoming available, *or* applicants have refused multiple properties between bidding and viewing, *or* applicants have refused multiple properties after viewing without reasonable grounds, a direct offer (outside the CBL scheme) may be made. If the offer is refused, the application will be reviewed, and the Options team may consider ending the Council's homelessness duty.

43 Other Applicants

Where the applicant has understood the process and is making a large number of unsuitable bids or viewing a large number of properties and refusing them, they should be warned of the consequences and given a further reasonable period to accept a property. If the behaviour continues, an applicant may be suspended from bidding for up to one year or may be given a nil priority

**Properties Not Included In The Choice Based Lettings Scheme**

44 Most vacant properties will be let through the choice based lettings scheme

45 Certain properties may not be advertised, if they are needed for management reasons. This may include:

- some types of supported housing
- direct lettings to national mobility schemes or
- emergency inter-district transfers for some RSL partner properties.

46 In other cases, for example very highly adapted properties or for applicants with very individual needs, it may be necessary to make a direct offer of a property in order to make the most effective use of the scarce resource of social housing and to obtain best value for money for the Council and its partners.

**Monitoring and Lettings Targets**

47 Bidding patterns will be closely monitored, in order to:

- identify applicants who are not bidding and offer support to them
- ensure that annual lettings targets can be met
- identify statutorily homeless applicants who have failed to bid although suitable properties have become available
- ensure that lettings comply with the council's BME strategy

- 48 In order to allow the Council to continue to meet its annual lettings targets, bidding on some properties may be restricted to particular groups e.g. statutorily homeless or transfer applicants. This will be made clear in the property advertisement

## **Other Changes Introduced in Allocation Scheme 2**

### **Changes to Allocations Policy as a result of the ORAH Partnership**

#### **Exclusions**

- 49 In order to align the allocations scheme requirements with RSL partners and promote more efficient partnership working, it is proposed to adopt the following criteria for exclusions: -
- 50 Where a tenant has been evicted by a court for rent arrears owed to Oxford City Council or an ORAH partner RSL, the homeseeker will not usually be able to register with ORAH until they have proved that they are suitable to become tenants of the authority
- 51 Suitability can be demonstrated by clearing the debt in full or making a repayment agreement with the creditor landlord, and adhering to it for at least 6 months (this replaces a previous requirement to demonstrate financial suitability for 12 weeks). A senior manager at Oxford City Council will decide whether a former tenant can be registered as a homeseeker.
- 52 Where a tenant has previously been evicted by a partner RSL for anti social behaviour, and has proved their suitability to become a tenant of social housing again, they will not be usually be nominated to their original landlord

#### **Conditional Offers and Rent Arrears**

- 53 We no longer intend to make conditional offers. Instead, applicants who are in rent arrears must demonstrate financial suitability by:  
Making a repayment agreement and sticking to it for 6 consecutive months (if they owe money to an ORAH partner)

Demonstrating their financial suitability to the satisfaction of the Allocations Manager (if they owe money to another landlord)

#### **Exceptional Circumstances Panel**

- 54 Full terms of reference for the Exceptional Circumstances Panel are attached as a new Appendix to the Allocation Scheme (Appendix 8)

## **Other Changes To The Allocation Scheme**

### **Inter-District Moves**



- 55 Following a successful funding bid to the DCLG, Oxford City Council have joined a sub-regional partnership with other local district councils. For the purposes of Oxford City Council's allocation scheme, certain properties will be available for applicants to make "inter-district" moves: that is; applicants may move into the properties of another council within the partnership. At the current time, the partnership aims that inter-district moves should cover: 10% of general lets, 100% of sheltered accommodation and 100% of adapted accommodation. This will be monitored to ensure parity of moves across the sub region.
- 56 The partnership will need to agree a common scheme for these moves. Housing Scrutiny Committee and Executive Board will receive such proposals as soon as possible. At the present time, it is proposed that officers continue to agree this initiative with the other districts on the basis outlined above. Full Council approval will be required should the new Allocation Scheme need to be amended to implement this initiative.

### **Financial Implications**

- 57 There are no financial implications to this report.

### **Legal Implications**

- 58 The proposed banding scheme and CBL policy, has been drafted in accordance with current guidelines and statutory requirements.

### **Next Steps: Project Plan**

- 59 The main phases of the project between now and December are as indicated below:
- |    |  |       |           |
|----|--|-------|-----------|
| 60 | ICT system design, interfacing & testing | Mar - | Oct 2007  |
|    | Implementation of banding                | Apr - | June 2007 |
|    | Revising policies and procedures for CBL | Jan - | Oct 2007  |
|    | Preparation of CBL scheme documentation  | Jul - | Oct 2007  |
|    | Staff Training for CBL                   | Sep - | Nov 2007  |

### **Appendices (circulated separately)**

- I Allocation Scheme – version 1  
 II Allocation Scheme – version 2

#### **Name and contact details of author:**

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**Background papers:** None