

MAIDSTONE BOROUGH COUNCIL

CABINET MEMBER FOR REGENERATION

**REPORT OF THE DIRECTOR FOR
REGENERATION & COMMUNITIES**

Report prepared by John Littlemore

Date Issued: 18 November 2010

1. Common Housing Assessment Framework

1.1 Key Issue for Decision

- 1.1.1 To approve amending the Council's allocation scheme to provide a simpler, more transparent mechanism for the prioritisation between applicants for social housing. In addition the new scheme if adopted across a number of Kent authorities would provide a framework for easier access to social housing and opportunities for rationalisation.

1.2 Recommendation of the Director for Regeneration and Communities

- 1.2.1 That the Cabinet Member agrees in principle to pursue an allocation scheme as outlined in principle at Appendix A.
- 1.2.2 That the Cabinet Member authorises the Head of Housing & Community Safety to continue negotiations through Kent Housing Group to deliver a common housing assessment delivery model; and (in consultation with the Cabinet Member for regeneration) to make any amendments to the allocation scheme to achieve a common assessment framework.
- 1.2.3 That the Cabinet Member agrees to retain the current Allocation Scheme (dated January 2009) until such time as a viable common housing assessment is implemented by the Kent Homechoice Partnership.

1.3 Reasons for Recommendation

- 1.3.1 In 2007 the Council entered into a partnership with the other Kent local housing authorities and housing associations to promote and provide a choice based lettings (CBL) approach to accessing social housing. The partnership, called Kent Homechoice, is the largest one of its kind and has successfully enabled applicants to have a greater degree of participation in accessing housing. The emphasis being

placed on applicants to bid for properties that are available rather than officers determining who is allocated homes.

- 1.3.2 The move to CBL was the first major change in our approach to allocating social housing since the implementation of the Housing Act 1996. The HA 1996 regulated the process for allocating social housing and introduced the concept of certain categories of applicant having 'preference' for social housing. The Act requires local housing authorities to adopt an allocation scheme which sets out the rules for determining how priority is awarded between applicants.
- 1.3.3 In order to provide sufficient weighting to the preference groups; and to determine what characteristics of a persons circumstances should be prioritised, points are awarded as set out within the allocation scheme. For example points are awarded for lacking a bed-space; poor condition of a property; or if someone is threatened with homelessness.
- 1.3.4 The council's current allocation scheme has over 50 characteristics for which points are awarded. Each application is assessed against these characteristics to determine what points should be awarded. In recent years schemes that awards points as their weighting mechanism have been criticised for being overly complex, particularly as only a small percentage of applicants will ever achieve the priority needed to successfully obtain social housing. At present there are over 3,000 applicants on the council's housing list of whom only 14% are likely to be housed in any one year.
- 1.3.5 **Bands v Points:** The way in which allocation schemes are framed and then implemented has become a fertile area for litigation. Prior to 2009 the case law doubted that simple schemes based on bands and date order was compliant with the Housing Act 1996. However, the legal landscape changed with the House of Lords decision in Ahmad v Newham LBC, which approved the use of simple banding. A new Code of Guidance was issued by CLG following the judgment interpreting how the judgment should be implemented.
- 1.3.6 There has been an interest from some members, applicants and stakeholders to introduce a band-based scheme in Maidstone, culminating with a review by the Overview and Scrutiny Committee in 2008/09. Prior to the Ahmad case the Head of Housing & Community Safety could not recommend a transition to banding because of the risk of litigation. Since the Ahmad case this concern has rescinded and the opportunity now exists to review the Council's allocation scheme.
- 1.3.7 **Opportunity:** The opportunity exists following the Ahmad judgement to review how the council's allocation scheme is set out and the weighting given to each applicant. Simple banding schemes normally

consist of four priority groups or bands; priority within each band is determined by when the applicant was accepted onto the housing register. The general consensus being this is easier to understand for applicants and staff administering the scheme and reduces the instances of applicants involved in 'points chasing'.

- 1.3.8 **Change:** A move from the current points system to bands would require the assessment and transfer of data for 3,000 current applications, which has a cost implication. This could be offset on a 'spend to save' basis as described below. A critical part of the process is to ensure that those characteristics of housing need are given adequate weighting to provide priority to those applicants.
- 1.3.9 **Consequence:** Stakeholder and service user consultation has provided feedback that a simple band system would be preferred over the current points based scheme. However, simple band schemes reduce the ability to reflect specific issues that maybe of importance locally e.g. addressing cumulative need.
- 1.3.10 Discussion took place at Kent Housing Group following the judgment on the possibility of introducing a common assessment framework that could be adopted across Kent. A task group was set up led by the author of this report supported by the Kent Homechoice Manager. Following discussions with local authority and housing association practitioners a document was drafted and is attached as Appendix A.
- 1.3.11 **Contributing to the Community:** Kent Homechoice benefited from a £100k grant from the previous government to help with the set up costs and one of the principle objectives of introducing CBL is to enable improved access across local authority boundaries. The coalition government has stated its preference for enabling people to move within the social housing sector in order to promote access to employment and training.
- 1.3.12 This has been difficult to achieve within the Kent Homechoice scheme due in part to each local authority having its own allocation scheme, each being a variation on the statutory framework. This means that applicants have to register in each of the local authority in which they want to bid for property. The situation can be confusing for applicants as currently there is no uniformity between local authorities. Some authorities use a points based system whilst others employ priority bands; and local authorities have some discretion in determining what weight to give to the characteristics on which the scoring mechanism is based.
- 1.3.13 **Opportunity:** A number of local authorities have taken the opportunity to review their allocation scheme in the light of Ahmad and take advantage of the greater flexibility to give higher priority to those

applicants who require social housing in order to take up employment, training or education. This has been colloquially described as 'bringing a positive contribution to the local community'.

1.3.14 There is an opportunity to meet a number of aims including promoting economic development and regeneration by giving additional priority to applicants who are economically active. This will in turn act as an incentive to applicants to obtain work or enter into training and education.

1.3.15 **Change:** Our present scheme does not provide additional weighting for applicants who fall into this category and in fact gives points for those in receipt of benefit. This would have reflected the thinking at the time when the Housing Act 1996 was implemented. Currently points are also awarded for having a local connection and further consultation will take place to determine whether this factor should be giving weighting.

1.3.16 **Consequence:** The number of available affordable homes is likely to decrease in the short-term over the next three years and the council should be clear as to who and the reason why it provides additional weighting to certain applicants. Giving additional value to those persons who provide a positive contribution to the community will effectively suppress the chances for housing to those classes of applicant in other categories.

1.3.17 Altering the preference around local connection will make it easier for applicants with no direct link to Maidstone to obtain housing in this area. Your officer believes it is unlikely that many applicants within Kent will want to take advantage of this, as most applicants are keen to remain in the areas of their upbringing and to be close to those who provide support. However, an unknown factor is the impact of the coalition government's proposals to reduce benefit, particularly the housing benefit caps.

1.3.18 One suggestion is to reduce the benefits of those persons who have not been actively seeking work. This could have the effect of encouraging people who live in areas of low economic activity to move towards areas with better prospects e.g. the South-East. Additionally there is a proposal to cap local housing allowance in the private sector, particularly those with larger families requiring accommodation of more than three bedrooms. This might have the affect of households leaving the London area, which is likely to be especially affected, to seek cheaper private rent or social housing in Kent.

1.3.19 **Efficient processing:**

1.3.20 **Opportunity:** Having a common framework that can be adopted by a number of the Kent partners could provide the opportunity for closer

joint working between local authorities and housing associations. A joint approach would enable a single application form and point of entry, as well as providing an opportunity to centralise the administration of a single housing list and rationalisation of support e.g. software and other IT costs.

1.3.21 **Change:** At present each local authority maintains its own housing list, applying their local allocation scheme. If an applicant wants to bid for property in Dartford and Maidstone they will need to make separate applications to each local authority and it is likely that their application will be assessed in different ways e.g. points or bands. Having a common assessment would mean the need only register once and be assessed under a unified appraisal.

1.3.22 **Consequence:** Whilst providing a seamless process for the applicant and possible savings for the administering authorities having a common scheme would remove the ability to influence how people are assessed at a local level. For example whereas we might at present give higher weighting to street homeless the priorities in future would need to be set by consensus. Subtle local nuances such as giving greater priority to service personnel or Ghurkha families would not easily be accommodated within a common scheme.

1.4 Alternative Action and why not Recommended

1.4.1 The Cabinet could retain its current allocation scheme, which is compliant with the statute. However, the coalition government is encouraging local housing authorities to frame their schemes with a local emphasis. It is appropriate to review the scheme following the Ahmad case and not to do so could mean the Council misses the opportunity to provide a more efficient scheme with colleagues from across Kent.

1.5 Impact on Corporate Objectives

1.5.1 The review of the allocation scheme is intended to promote a place to live and enjoy through improving access to affordable housing

1.6 Risk Management

1.6.1 The risks when amending the allocation scheme are the new scheme is not compliant with statute; and it fails to give adequate weighting to those applicants seen as a priority by the Council. Careful consideration has been given to how the scheme is framed and it is intended that the Kent Homechoice Partnership will obtain a third party view of the finalised scheme either from Shelter or a legal opinion from one of the specialist housing law firms.

- 1.6.2 On the issue of weighting there is an inherent risk when moving to broader categories of prioritisation (as outlined in 1.3.8 above) that the priorities for certain categories of person are not properly reflected in the implementation of the scheme. This can lead to some groups not having sufficient priority to obtain social housing or other groups having a greater priority than was intended. Careful analysis and testing will be carried to reduce the risk of this occurring prior to implementation.

1.7 Other Implications

1.7.1

1.	Financial	X
2.	Staffing	X
3.	Legal	X
4.	Equality Impact Needs Assessment	
5.	Environmental/Sustainable Development	
6.	Community Safety	
7.	Human Rights Act	
8.	Procurement	
9.	Asset Management	

- 1.7.2 Financial: It is possible that there is an initial set-up cost involved in order to migrate data from one software system to another. However, this will be determined once it is known whether Maidstone Council is taking this scheme forward through a partnership. In the event it is probable that such cost would be included in a rationalisation of service provision and wrapped up into a 'spend to save' bid. It is unlikely that a move to change the system unilaterally will achieve sufficient savings to make this proposition financially viable. With no growth budget available the proposal is unlikely to move forward except in a partnership with the other Kent local authorities.

- 1.7.3 A common assessment framework provides the opportunity to review how the process of registering on the housing list can be delivered. Other local authority areas, notably in Norfolk, have moved to a system whereby one authority manages the process on behalf of their

neighbouring authorities. Such an approach in Kent could lead to efficiency savings in the region of £20k per authority.

1.7.4 Staffing: In the event that a combined service is the most appropriate way forward a further report will be provided to the Cabinet Member for Regeneration setting out the implications for staff involved in this area of work.

1.7.5 Legal: The revised allocation scheme will have to be compliant with the statute, as described in the background text above. It is a requirement within Part VI of the Housing Act 1996 that the allocation scheme is adopted by the Council.

1.8 Relevant Documents

1.8.1 Appendices

Appendix A Kent Housing Group draft common assessment

1.8.2 Background Documents

- Allocation of Accommodation: Choice Based Lettings - Code of Guidance for Local Housing Authorities
- Allocation of Accommodation: Code of guidance for local housing authorities
- Fair and flexible: draft statutory guidance on social housing allocations for local authorities in England
- Maidstone BC Allocation Scheme

IS THIS A KEY DECISION REPORT?

Yes

☐

No

☐

If yes, when did it first appear in the Forward Plan?

October 2010

This is a Key Decision because: The Allocation Scheme affects all Wards

Wards/Parishes affected: All

How to Comment

Should you have any comments on the issue that is being considered please contact either the relevant Officer or the Member of the Executive who will be taking the decision.

Cllr Malcolm Greer

Cabinet Member for Regeneration

Telephone: 01634 862876

E-mail: Malcolmgreer@maidstone.gov.uk

John Littlemore

Head of Housing & Community Safety

Telephone: 01622 602207

E-mail: johnlittlemore@maidstone.gov.uk