



POLICY AND RESOURCES SCRUTINY COMMITTEE – 10TH NOVEMBER 2015

SUBJECT: ADOPTION OF THE COMMON ALLOCATION POLICY

REPORT BY: CORPORATE DIRECTOR - COMMUNITIES

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to provide members with an overview of the process undertaken to develop a common allocation policy and to seek Committee's approval to recommend to Cabinet that the existing allocations policy maintained by the Council be replaced with this new policy.

2. SUMMARY

- 2.1 The policy has been developed in partnership with local housing associations and will be introduced alongside the common housing register.
- 2.2 The policy has been subjected to an extensive consultation process during its development and a full equality impact assessment has been undertaken.
- 2.3 This policy will replace the Council's existing allocations policy and will also apply to our housing association partners, who, upon request of the Council, will sign up to the new policy. This will provide a standardised and consistent way of allocating properties to all those on the common housing register who are seeking social housing within the borough.

3. LINKS TO STRATEGY

- 3.1 The development of a common allocation policy links to the following strategies:
- the national housing strategy for Wales – '*Improving Lives and Communities*' (Welsh Government, 2010);
 - Caerphilly Delivers: The Single Integrated Plan (2013-17);
 - *People, Property & Place: A Housing Strategy for Caerphilly County Borough*; and
 - Strategy Equalities Plan 2012 (CCBC).

4. THE REPORT

Background

- 4.1 A common housing register can be defined as a group of landlords devising a single application form by which anyone seeking housing in their area can register their need and specify their housing preferences. Participating landlords then select their potential tenants from the single pool of applicants. Whereas, a common allocation policy can be described as a common set of rules that participating landlords will use to prioritise and select applicants for an offer of accommodation.

- 4.2 The common allocation policy is being developed jointly with the common housing register. Permission to develop the policy and register was established in October 2012:
- A report titled, 'Allocations Policy – Proposals For The Adoption Of A Banding System & A Common Housing Waiting List' was presented to Cabinet in December 2010. The report proposed substantial amendments to the way the Council assessed and prioritised applications for housing. The proposal contained within the report was agreed in principle but Cabinet delayed progression of the policy pending the outcome of the stock transfer ballot.
 - In October 2012, Caerphilly Homes Task Group endorsed the principle of jointly establishing a common housing register and common allocation policy and was ratified by the Cabinet Sub-Committee.
- 4.3 Between early and mid 2013, some exploratory meetings were held with housing association partners. At these meetings agreement in principle was secured to develop a common housing register and common allocation policy. It wasn't until late 2013 that the common allocation policy working group was formed. The group consisted of officers from both the Council and the housing associations. There was also representation on the group from two Caerphilly Homes tenant representatives.
- 4.4 The following organisations have all contributed to the development of the policy, either through attendance at working group meetings and/or via email:
- Aelwyd Housing Association
 - Cadwyn Housing Association
 - Caerphilly Homes
 - Linc Cymru Housing Association
 - Seren (incorporating Charter Housing Association and Derwen Cymru)
 - United Welsh Housing Association
 - Wales & West Housing Association
- 4.5 Each of the above organisations has given in principle support for the development of the common housing register and the common allocation policy. As it currently stands, each of these landlords maintain their own list of applicants and allocates to its properties using its own policy, with the exception of those housing associations who currently receive 100% nominations from the Council's waiting list. The implementation of the register and policy will create a single list of applicants and a single policy. The benefits of this approach are considered in the following paragraph.

Benefits of the approach

- 4.6 In addition to supporting the Council's wider strategic objective of creating balanced and sustainable communities the implementation of the common allocation policy will:
- Better reflect local pressures and priorities than the existing policy maintained by the Council and those of its housing association partners, and will provide a greater degree of flexibility to respond to changing pressures and priorities;
 - Improve the customer experience by requiring applicants to only register once to be considered for housing with more than one landlord and provides a more transparent system in terms of the way the priority an applicant is awarded is assessed;
 - Improve the way the social housing stock is currently utilised by creating a single list of applicants with a single point of contact for registration and advice; and
 - Ensure that all applicants for social housing are assessed in a consistent way.

Policy Development

- 4.7 As mentioned previously, the policy was developed through a working group approach. The benefits of this approach were the utilisation of the skills and experience housing associations had developed working with other local authorities in the region. In developing the policy the group looked at the following areas:

- Housing and other related legislation and the Welsh Government statutory *Code of Guidance for Local Authorities on the Allocation of Accommodation and Homelessness (2012 & 2015)*.
- Common allocation policies that the housing associations were partner to in other local authority areas and other identified examples of good practice throughout the UK.
- A review of performance data, held by partners, on the application and allocations processes.

- 4.8 In the early stages of the project the group received two awareness raising sessions from Andy Gale, housing consultant, who has been commissioned by the UK Government, Welsh Government and the Welsh Local Government Association to lead on allocations and homelessness related projects (and also acted as a critical friend to the Council throughout the project). The purpose of the two sessions was to discuss and formulate the underlying principles of the policy, including the banding system, preference categories and criteria in relation to offers of accommodation, unacceptable behaviour etc.
- 4.9 Two seminars were arranged for members, one at the beginning of the project and the second on completion of the draft policy. Both of the seminars were facilitated by Andy Gale. At the first session members were provided with an overview of the project and provided with an explanation of main areas to be covered by the common allocation policy. The second session provided members with the chance to discuss the content of the draft policy prior to the public consultation exercise taking place.
- 4.10 Project progress reports on the development of the common allocation policy and common housing register were presented to the Caerphilly Homes Task Group in May 2014 and September 2015.
- 4.11 In order to assist both the development of the common housing register and common allocation policy, landlords undertook a survey of applicants currently on the waiting list and of those people who had recently been rehoused. Information on the project have been regularly disseminated to the public via Newslite, the Council's and landlords' website and through the use of social media. A briefing paper was also produced for members and staff. A second briefing paper is planned for later this year.

Consultation Process

- 4.12 The development of the policy has been underpinned by an extensive consultation process that involved applicants, members, partner landlords and other stakeholders. The consultation process was undertaken in two stages:
- 4.13 Stage 1 – internal consultation: Once the working group had concluded its deliberations a first draft of the policy was produced. This draft was then circulated to partners for their initial comments. All comments received were reviewed by the Council and the policy updated accordingly. In light of the nature and level of changes made, the policy was recirculated to partners for any additional comments. The policy was updated in light of further comments received then finalised in preparation for the public consultation exercise.
- 4.14 Stage 2 – external consultation: It was agreed by the working group that the policy would be subject to a 12 weeks public consultation exercise, in-line with Welsh Government recommendations for policy consultations. The exercise started in November 2014 and concluded in February 2015. As part of the exercise the Council wrote to all applicants who might be potentially affected by the change in policy (approximately 8,000 people), i.e. those people currently on a waiting list maintained by either the Council or the housing associations. Applicants were asked to let us know their thoughts on the changes using an on-line survey. Paper copies were made available to those who were unable to use the on-line form. In total, 115 responses were received from applicants.
- 4.15 The Council also wrote to a number of housing and equality related organisations in the statutory, non-statutory and third sectors. This included Aneurin Bevan University Health Board, Welsh Government, Gwent Police, Tai Pawb and Shelter Cymru. Only small number of responses was received.

- 4.16 Similarly to the internal consultation, all responses received via the public consultation were reviewed. Some of the responses required clarification and advice was sought from the Council's legal department and/or Andy Gale. A small number of responses from the consultation exercise were considered under the equality impact assessment process, which will be discussed in the next paragraph. All consultation responses have been recorded, along with the Council's response and whether any amendment was required to policy. Where applicable the policy was amended.

Equality Impact Assessment

- 4.17 The Equality Act 2010 places a statutory requirement on the Council to assess the impact of the development or review of services and policies. A small working group with a housing association representative was formed to lead on the equality impact assessment. The Council was assisted in this process by Tai Pawb, a third sector organisation promoting equality and social justice in housing. The equality impact assessment was carried out between March and July 2015 and consisted of an initial scoping exercise followed by a full assessment. Some minor amendments were made to the policy as a result of the equality impact assessment. In addition, a plan was devised containing actions that need to be carried out as part of the introduction of the common housing register. These actions centre mainly on monitoring of applications to identify whether in operation the policy discriminates against any groups with a protected characteristic, as defined by the *Equality Act 2010*. A copy of the equality impact assessment will be placed on the Council's website along with a copy of the policy.

Final Revision

- 4.18 The introduction of new legislation, brought about by the *Housing (Wales) Act 2014*, and the issuing of a revised *Code of Guidance for Local Authorities on the Allocation of Accommodation and Homelessness* (April 2015) required further changes to be made to the policy. On the advice of Tai Pawb, these changes were not made until the equality impact assessment process had been completed. The changes were minor in detail and did not require further public consultation or the equality impact assessment to be updated. The policy and draft equality impact assessment was sent to partners one last time prior to the policy being finalised. This resulted in a few very minor amendments being made to the policy. As a final check, Andy Gale was asked to carry out a review of the policy. As a result of this review some minor amendments were made to the policy including strengthening the wording of the by-passing criteria.

Differences between old and new policies

- 4.19 There are some significant differences between the new policy and the Council's existing policy and the policies that the partner housing associations currently maintain. Below is a list of some of the changes that have been made:
- All applicants will only need to complete one application form to register with more than one landlord;
 - All applicants will be assessed by one organisation only (the Council), using one policy;
 - Replacement of the points system the Council currently uses with a 3 tier, banding system. Some landlords operate a choice based system in the borough and these will be closed;
 - A limit on the number of offers of accommodation. On the third unreasonable refusal the applicant will have their application suspended for 12 months;
 - A reduction in the number of categories awarded preference and a reclassification of the entitlement criteria for entry into these categories;
 - Incorporating good practice criteria in relation to British Armed Forces and Reserve Forces personnel and, if applicable, bereaved spouses and civil partners;
 - Adoption by all landlords of the Council's best match process for allocating accessible housing to disabled people;

- Introducing criteria which could delay consideration for an offer of accommodation until such a time as an applicant has moderated their behaviour; and
- Allows for the introduction of local lettings policies to address local issues, e.g. anti-social behaviour, reducing child densities, prioritising applicants who work etc.

IT Development

- 4.20 A separate piece of work has been undertaken to assess the information technology (IT) requirements of the project. It was established by the IT working group that a new system was required to maintain the common housing register. The procurement of the new system was undertaken using UK Government's G-Cloud framework. The contract to provide the system was awarded by the Council in August 2015 to Abris, a market leader in web-based housing IT systems.
- 4.21 The Council will pay for the capital costs of the new system and the first year's service and maintenance charge using funding received from Welsh Government. To comply with the criteria, it is imperative that the funding is drawn down and spent by the end of this financial year. To enable this to happen it was essential to commence work on the implementation of the new system as soon as possible, as any delays could result in the Council incurring additional costs. It is anticipated that the system will be ready to be implemented alongside the policy by July 2016, providing no delays in its development are experienced.

Implementation of Policy

- 4.22 As discussed in the previous paragraph the policy will be jointly implemented alongside the common housing register. Prior to its implementation all housing association partners will be requested to voluntarily sign up to the policy. When the policy is implemented it will replace all existing policies currently in place. Given the in principle support provided at the beginning of the project and the level of on-going support to develop the policy, officers anticipate that all partner housing associations will voluntarily sign up to the policy.
- 4.23 A single list of applicants will be created from those people currently on the lists of all partners, although, this list will not come into force until the introduction of the policy and register. The Council will carry out an assessment of all applicants on the single list in accordance with the new policy. Applicants will be notified in writing of this assessment and given an opportunity to request a review of the result of their assessment. It is likely that as a result of the assessment, some applicants will gain priority, some may lose priority and some will retain the same level of priority. Until the assessment is completed, we are unable to quantify this.
- 4.24 To ensure compliance with the requirements of s.168 of the *Housing Act 1996*, a copy of the policy along with any associated procedures will be placed on the Council's website. A hard copy of the policy will be made available for inspection by members of the public to view on request at Penallta House, the area housing offices and customer service centres. Copies of the policy will be provided on payment of a reasonable fee, as yet to be decided. The Council will also publish a summary of the policy and provide a copy free of charge to any person who requests one.

Monitoring & Review

- 4.25 The Council will work proactively with the landlords post implementation to ensure that the policy continues to meet its statutory obligations and determine whether it continues to meet its obligations to promote equality of opportunity. The Council will meet with landlords usually on a quarterly basis to review information on people applying for and being allocated social housing. The first large-scale review of the policy will be carried out with landlords 12 months after the date of the implementation of the policy to ensure that it remains compliant with legislation and good practice. Further reviews will then be carried out on a cyclical basis.

- 4.26 There is a statutory requirement to consult those people affected by a major change to the policy. A major change is regarded as a change which affects the relative priority of a large number people or significant changes to the associated procedures. Similarly to the public consultation exercise discussed above, the Council would need to write to everyone likely to be affected by proposed change and any organisations representing these groups of people. Less significant changes are not subject to the same level of consultation. Officers will seek the advice of the Council's legal department before deciding whether or not a change is major. Officers propose that all major amendments are reported to Cabinet along with details of any consultation undertaken and the outcome of any equality impact assessment undertaken. All other changes would be agreed between all partners, discussed with the Cabinet Member for Housing then signed off by the Chief Housing Officer.

5. EQUALITIES IMPLICATIONS

- 5.1 The common allocation policy has been subject to an equality impact assessment (see paragraph 4.16). Some minor amendments were made to the policy as a result of the assessment and there are some actions around equality monitoring that will need to be addressed once the policy and register have been implemented.
- 5.2 The implementation of the common housing register will facilitate the collection of equalities monitoring data across all protected characteristics. This data will be reviewed on a quarterly basis to ensure to ensure that the common allocation policy complies with the Council's statutory obligations as defined by the *Equality Act 2010*.

6. FINANCIAL IMPLICATIONS

- 6.1 Transitional homelessness funding received from Welsh Government will be used to pay for the capital costs of the purchase of the new IT system and the first year's service and maintenance charge, which combined is estimated to be £107,000.
- 6.2 Discussions are at an advanced stage with partners over the on-going funding of a revised staffing structure to manage the common housing register and the annually recurring service and maintenance cost for the new IT system. The cost of the structure in year 1 will increase by about £100,000, which is offset by using nearly £50,000 of transitional homelessness funding. The staffing costs will be apportioned between the General Fund, the Housing Revenue Account and through contributions from our housing association partners. The costs to the Housing Revenue Account and housing associations will be apportioned on the basis of stock size.

7. PERSONNEL IMPLICATIONS

- 7.1 It has been identified by officers that the existing staff structure is insufficient to manage the increase in workload expected with the introduction of the common housing register and common allocation policy. A business case for an enhanced staffing structure to manage the common housing register was approved by CMT in July 2015. The recruitment and selection process has now been completed and the new positions are beginning to be filled. All of the new positions will be recruited on a fixed term basis and will be reviewed with partners after 12 months to see whether they should be extended and the options for funding the continuation of these posts.

8. CONSULTATIONS

- 8.1 Any views received as part of consultation have been incorporated into this report.

9. RECOMMENDATIONS

- 9.1 That Policy & Resources Scrutiny Committee recommends to Cabinet that the common allocation policy is formally adopted and that upon its implementation the Council's existing allocations policy is rescinded.
- 9.2 That Policy & Resources Scrutiny Committee recommends to Cabinet that once the first review of the policy has been completed, as outlined in paragraph 4.25, the results are reported to Cabinet.

10. REASONS FOR THE RECOMMENDATIONS

- 10.1 To ensure that the allocations policy continues to comply with legislation and good practice, and is able to respond to the changing housing needs that present themselves throughout the borough.
- 10.2 To ensure that best use is made of the social housing stock and the resources of the Council and its housing association partners.
- 10.3 To improve the customer experience by providing a transparent and simpler allocations system for people to use and understand.

11. STATUTORY POWER

- 11.1 *Housing Act 1996 as amended by the Homelessness Act 2002 and the Housing (Wales) Act 2014.*
- 11.2 *Code of Guidance for Local Authorities on the Allocation of Accommodation and Homelessness (Welsh Government, 2015).*
- 11.3 *Equality Act 2010.*

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Consultees: Cllr. David Poole, Deputy Leader & Cabinet Member for Housing
Cllr Hefin David, Chair of Policy & Resources Scrutiny Committee
Cllr. Sean Morgan, Vice-Chair of Policy & Resources Scrutiny Committee
Nicole Scammell, Acting Director of Corporate Service & s151 Officer
Christina Harrhy, Corporate Director – Community
Gail Williams, Interim Head of Legal Services & Monitoring Officer
Shaun Couzens, Chief Housing Officer
Fiona Wilkins, Public Sector Housing Manager
Kenyon Williams, Private Sector Housing Manager
Sue Cousins, Principal Officer, (Housing Portfolio)
Claire Davies, Principal Officer, (Strategy & Standards)
Lesley Allen, Principal Accountant, Housing Finance
Zoe Powles, Solicitor, Legal Services
Craig Singler, Senior Allocation Officer
Martin Hughes, Housing Manager, Aelwyd Housing Association
John Briggs, Housing Manager, Cadwyn Housing Association
Andrew Frame, Head of Home & Communities, Charter Housing
Naomi Mitcheson, Housing Manager, Derwen Cymru
Carol Price, Housing Manager, Linc Cymru Housing Association
Karen Thomas, Head of Neighbourhoods, United Welsh Housing Association
Craig Davis, Housing Options Officer, Wales & West Housing
Emma Reeves-M^cAll, Policy and External Affairs Officer, Tai Pawb

Background Papers:

Equality Impact Assessment

Code of Guidance for Local Authorities on the Allocation of Accommodation and Homelessness
(Welsh Government, 2015)

Appendices:

Appendix 1 Common Allocation Policy for Caerphilly County Borough - October 2015

Appendix 2 Appendices to Common Allocation Policy for Caerphilly County Borough