

22 November 2022		ITEM: 7
Housing Overview and Scrutiny Committee		
Allocations Policy Update 2022-23		
Wards and communities affected: All	Key Decision: None	
Report of: Ryan Farmer – Housing Strategy and Quality Manager		
Accountable Assistant Director: n/a		
Accountable Director: Ewelina Sorbjan – Interim Director of Housing		
This report is Public		

Executive Summary

This report outlines the reasons why local authorities are required to have an up-to-date Housing Allocations Policy.

It goes into further detail to set out the context surrounding several areas of the existing policy where engagement feedback indicated needed updating.

Finally, the report recommends changes that the council should make to the Housing Allocations Policy. These will ensure that the document adapts, remains fit for purpose, meets the needs of residents seeking to access the Housing Register and supports the delivery of the aims, objectives and principles of the Housing service and wider organisation.

1 Recommendation(s)

- 1.1 Housing Overview and Scrutiny Committee are asked to note and comment on the recommended changes to the Housing Allocations Policy as set out in sections 3.2, 4.2, 5.2, 6.2, 7.2, 8.2, 9.2, 10.2, 11.2, 12.2 and 13.2.**

2 Introduction and Background

- 2.1. Thurrock Council has a legal obligation to allocate properties in line with a Housing Allocations Scheme formally adopted by the council. The scheme has to comply with current legislation, regulation and case law. The council implemented the current scheme in 2013 in response to the Localism Act 2011, which gave increased powers to determine local priorities when defining how properties should be allocated.

- 2.2. Since 2013 the policy and procedure have been reviewed frequently; however, the council completed the most recent update in April 2019. It was necessary to review the Housing Allocations Policy again to ensure it remains fit for purpose, delivering against the aims and objectives of the Housing Strategy 2022-27
- 2.3. In Thurrock, as with most boroughs, the demand for housing exceeds availability. There are increasing numbers of people in Thurrock who are in need of a home, and many more existing tenants with a priority need to move.
- 2.4. With a limited amount of properties available through the council and increasing house prices in the private and owner-occupied sectors, the reality is that many households face long waits for suitable and affordable settled accommodation that is fit for purpose. The shortage in the supply of affordable homes is becoming an acute problem across the region, and these pressures are expected to intensify over future years.
- 2.5. As a result, the current Housing Allocations Policy has to be revised to ensure that local people with the highest need for settled accommodation in Thurrock are supported appropriately.
- 2.6. Below is a snapshot of the current Housing Register, which comprises two lists: the 'Housing Waiting List' (including Bands 1 to 5) and the 'Transfer List'.

Band	Number of applicants	% of overall housing register
1	4	0.1%
2	148	2.2%
3	543	8.1%
4	4007	59.9%
5	425	6.4%
Transfer List	1560	23.3%
Total	6687	100%

- 2.7. Those in Band 1 have the highest priority to be rehoused, such as those experiencing violence or threats of violence (including domestic and sexual abuse). It also features council tenants whose properties require demolition or major refurbishment where the tenant would no longer be able to remain at the property.
- 2.8. Applicants awarded a Band 2 priority include those with an urgent medical or care need to be rehoused, tenants who are under-occupying by more than one bedroom or succeeding to an under-occupied tenancy,
- 2.9. Those awarded a Band 3 priority include homeless applicants who are owed a homeless duty, those who have a medical or care need to move, those moving on from care or supported housing, those who are overcrowded by two or more bedrooms and those who are under-occupying by one bedroom.
- 2.10. The Band 4 priority is awarded to applicants who are not adequately housed but do not meet other priority criteria. It is also awarded to applicants who are adequately housed with a valid notice to quit and non-statutory homeless applicants.
- 2.11. Lastly, applicants placed in Band 5 on the 'Housing Waiting List' are considered adequately housed and have no priority need to be re-accommodated. This banding is now only used for those eligible for Sheltered Housing.
- 2.11.1. The 'Transfer List' is specifically for current Council and Registered Provider tenants in the borough with no priority need but who wish to move to a different property.

3 Financial Qualification Thresholds

3.1 Context

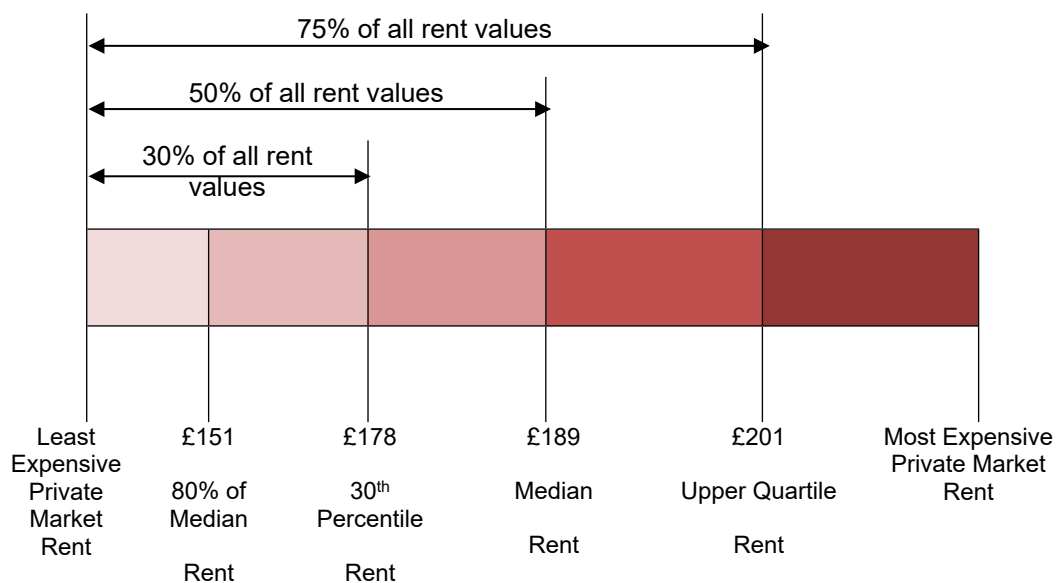
- 3.1.1. To qualify for the 'Housing Waiting List' and then to be offered a property at the point of successfully bidding on a property, the savings, assets or annual income for the application must be below the set financial threshold. The paragraphs below set out the approach to calculating the proposals as defined in the above table.
- 3.1.2. According to the Joseph Rowntree Foundation, the maximum Housing Cost to Income Ratio (HCIR) for accommodation to be considered to be affordable would be 1:3. This means that if a household is spending more than a third of its net income on accommodation costs, that accommodation would not be deemed to be affordable.

The methodology for calculating the above financial thresholds considered the borough's average private rents and average property purchase prices. The data was provided by a release from the Hometrack market intelligence system with up-to-date data in October 2022.

3.1.3. Whilst only one measure for the average property purchase price was included within the available data, a range of private rent statistics was provided by Hometrack. These were:

- 30th Percentile – this statistic indicates the rental amount that 30% of private market rents fall below.
- 80% Median – this statistic indicates 80% of the value of the average market rent, used for calculating ‘affordable rent’ in line with the Government definition.
- Median – this statistic indicates the value in the middle of the range of private market rents and can be identified as the average market rent.
- Upper Quartile – this statistic indicates the value that 75% of private market rents fall below.

The below chart puts these definitions into context, displaying these statistics concerning the least and most expensive private market rent amounts for one-bed properties.



3.1.4. In calculating rental affordability, the calculation took the weekly accommodation cost, multiplied by 52 to give an annual accommodation cost, and then multiplied by 3 to determine the affordability threshold in line with the maximum recommended HCIR.

3.1.5. For determining property purchase affordability, the calculation simulated a scenario where a first-time buyer was attempting to join the housing ladder. Therefore, the calculation assumed that a first-time buyer would purchase a property with a 95% mortgage.

Repayments were to be made over 35 years with an interest rate of 5,33%, as the average standard variable rate was approximately that amount at the

time of the calculation. This calculation gave the monthly repayment amount before being multiplied by 12 to establish the annual cost of the mortgage and then by 3 to determine the affordability threshold according to the maximum recommended HCIR.

3.1.6. The table below shows the result of the calculations to determine the net income required for rental and property purchase affordability.

	1 bed		2 bed		3 bed		4 bed	
	Average cost per week	Annual Net Income Required	Average cost per week	Annual Net Income Required	Average cost per week	Annual Net Income Required	Average cost per week	Annual Net Income Required
Private rent - 30th Percentile	£178	£27,768	£225	£35,100	£300	£46,800	£390	£60,840
Private rent - 80% Median	£151	£23,556	£194	£30,264	£258	£40,248	£314	£48,984
Private rent- Median	£189	£29,484	£242	£37,752	£322	£50,232	£392	£61,152
Private rent - Upper Quartile	£201	£31,356	£276	£43,056	£345	£53,820	£431	£67,236
	Average Purchase Price	Annual Net Income Required	Average Purchase Price	Annual Net Income Required	Average Purchase Price	Annual Net Income Required	Average Purchase Price	Annual Net Income Required
Property Purchase	£160,189	£29,721	£302,909	£56,201	£350,003	£64,938	£466,262	£86,509

3.1.7. The most recent earnings by place of residence dataset published by the Office for National Statistics gives the below median and mean gross salaries for Thurrock. A calculator has been used to show the net income based on deductions for income tax and national insurance for the 2023/24 financial year. This calculation does not include any student loan or employee pension contributions. The net income is considered against the financial thresholds as set out in the Allocations Policy.

	Gross	Net (2023/24)
Thurrock Median Salary	£29,355	£24,153
Thurrock Mean Salary	£33,139	£26,764

3.1.8. Related activity has also been carried out to calculate the maximum gross annual income for each proposed financial threshold, which can be seen in the table below. The column for joint income displays two equal joint incomes with a combined total below as an example.

Property Size	Net (2023/24)	Gross (single income)	Gross (joint income)
Single person	£27,700	£34,496	N/A
1 bedroom	£29,700	£37,395	2x £15,872 (£31,744)
2 bedroom	£56,200	£80,638	2x £35,075 (£70,150)
3 bedroom	£64,900	£95,638	2x £41,380 (£82,760)
4+ bedroom	£86,500	£141,555	2x £58,311 (£116,622)

3.1.9. As evidenced in the tables above, both the net median income and net mean income for the borough are lower than the proposed financial thresholds. This information, in conjunction with the approach taken to calculate the financial thresholds, significantly reduces the likelihood of a household's income is too high to qualify for the Housing Register but below the income required to find affordable accommodation in the private market.

3.2. **Recommended Change**

3.2.1. The table below sets out the current and proposed thresholds and the rationale for reaching each figure. The general approach to set the Housing Register financial qualification thresholds was to take whichever was the highest required net annual income between the 30th percentile private rent and the property purchase price by bedroom size.

3.2.2. It is recommended that the below-proposed thresholds are adopted.

Property Size	Current Threshold	Proposed Threshold	Rationale for proposed threshold
Single Person	£24,000	£27,700	1 bed need, but reflects the £2k variation between single person and 1 bed thresholds from current criteria
1 Bed	£26,000	£29,700	£29.7k required for property purchase
2 Bed	£37,000	£56,200	£56.2k required for property purchase
3 Bed	£47,000	£64,900	£64.9k required for property purchase
4 Bed	£60,000	£86,500	£86.5k required for property purchase
Sheltered Housing	£179,000	£203,600	Market rate for leasehold purchase of retirement property (£180,000) plus allowance for 10 years of service charges (£23,600)
Extra Care	£229,000	£284,000	Market rate for leasehold purchase of extra care property (£230,000) plus allowance for 10 years of service charges (£54,000)

3.2.3. It is recommended that the financial thresholds are included in the Housing Allocations Policy as a separate appendix. This approach will allow for these to be updated annually, even if the overall policy is not revised, to ensure they remain accurate and reflective of the cost to secure suitable private sector accommodation in Thurrock.

4 Sheltered Housing

4.1. Context

4.1.1. Sheltered housing is designed and built with the needs of older people in mind. Most sheltered housing schemes are made up of one-bedroom flats or bungalows, although there are a very limited number of two-bedroom properties. Sheltered housing enables people to live in their property with the security of a sheltered housing officer in case any assistance is needed. The sheltered housing officer also makes a courtesy call to every tenant each morning and is there to provide support.

Most sheltered housing schemes have communal halls where activities place daily, so there are opportunities to socialise with others.

4.1.2. To be eligible for these schemes, applicants must be:

- 60 years and over, or
- aged 55 to 59 years for people with significant health and/or mobility challenges (in receipt of Higher Rate Disability Living Allowance (Mobility or Care element) or Enhanced Rate of Personal Independence Payments (PIP))

On a case-by-case basis, the council may allocate a sheltered property to an applicant below the age ranges outlined above if there is a need for housing-related support, and the environment of a Sheltered Housing complex would allow the applicant to live independently.

4.1.3. Although the eligibility criteria have been established for some time, there are benefits that the council and applicants can realise through a reduction of qualifying ages. Following a person-centred approach, more offers are being made to applicants below the current age criteria where Sheltered Housing offers the most appropriate route to suitable housing.

4.2. **Recommended change**

4.2.1. It is recommended that a change is made to the age eligibility criteria. The proposal is that to be eligible for these schemes, applicants must be:

- 55 years and over, or
- aged 50 to 54 years for people with significant health and/or mobility challenges (in receipt of Higher Rate Disability Living Allowance (Mobility or Care element) or Enhanced Rate of Personal Independence Payments (PIP))

On a case-by-case basis, the council may allocate a sheltered property to an applicant below the age ranges outlined above if there is a need for housing-related support, and the environment of a Sheltered Housing complex would allow the applicant to live independently.

5 **High-Rise Allocations**

5.1. **Context**

5.1.1. The housing service has been undertaking significant work to understand the support needs of residents living within the council-owned high-rise residential tower blocks in the borough.

5.1.2. Other factors, such as the disproportionate impact of the Grenfell Tower fire on residents with disabilities and new building and fire safety regimes introduced through the Building Safety Act 2022, have led the housing

service to consider the suitability of high-rise residential tower blocks for residents unable to self-evacuate, if necessary, in the event of an incident or emergency.

- 5.1.3. It is important to note that the 'Stay Put' policy remains in place in the event of a fire at blocks of flats, meaning that residents should not evacuate unless the fire is inside their flat or they are affected by heat or smoke.

5.2. **Recommended Change**

- 5.2.1. It is recommended that the housing service will no longer make allocations of high-rise properties for those with a medical condition or disability, which would mean that the resident is unable to self-evacuate safely from their property in the event of an incident or emergency, if necessary.
- 5.2.2. It is also recommended that a priority banding is created to support those already living in high-rise properties but, due to a medical condition or disability, are identified as being unable to self-evacuate safely from that property in the event of an incident or emergency if necessary.

It is proposed that this new priority is awarded under Band 2.

6 **Band 4 Cumulative Need**

6.1. **Context**

- 6.1.1. Band 4 of the Housing Register exists for applicants with a general housing need but who do not meet the criteria for a higher priority. Examples of the housing needs considered under this band are listed below:

- Applicants who are adequately housed but who have been issued a valid notice to quit
- Applicants who are not adequately housed – applicants living in privately rented or other non-social housing accommodation and
- who are not adequately housed in terms of size, suitability or affordability but who do not meet the criteria for the reasonable preference groups
- Non-statutory homeless applicants – homeless or threatened with homelessness
- Applicants with rent arrears on a current tenancy or council tenancy within the last six years

- 6.1.2. Where there is a combination of these needs within a household, or where there may be multiple reasons why a household is considered not adequately housed under band 4, the need to be rehoused becomes more urgent.

- 6.1.3. The Housing Allocations Policy makes provision to award a band 2 priority where a household has two or more 'band 3' priority needs in recognition of a more severe or urgent requirement to secure alternative accommodation.

6.2. **Recommended Change**

- 6.2.1. It is recommended that when an applicant or their household has two 'Band 4' priority needs, the effective date on the application is backdated to reflect this additional level of need by six months. For each additional 'Band 4' priority need identified, the application effective date can be backdated by a further six months.
- 6.2.2. This change aims to increase the likelihood of such an application being successful when bidding on a property without significantly changing the overall banding structure of the Housing Register.

7 **Identity and Eligibility Verification**

7.1. **Context**

- 7.1.1. If an applicant is successful in bidding for a property and has been shortlisted as one of the top six bidders, the Housing Allocations Policy outlines that they must provide documents to support their application.
- 7.1.2. Only original documents will be accepted at the point of offer. Except in exceptional circumstances, applicants who cannot provide the correct documentation to support their application within two working days of the accommodation offer will be bypassed for that offer.

Evidence can include photo ID, such as a passport or driving licence, or in some circumstances, a birth certificate.
- 7.1.3. In some cases, applicants may not have the required documentation for one of a variety of reasons. In the case of an applicant fleeing domestic abuse, it may be unsafe for them to return to their usual place of residence to collect documentation, or applicants may not always have access to or know the whereabouts of identity documentation, such as in the case of care leavers.
- 7.1.4. Due to the time pressures of reletting void properties, the two-day deadline could cause undue stress and worry to vulnerable applicants if they cannot obtain or gain access to their documentation.

In such cases, the applicant (and their household, if applicable) may be known to another service or professional within Thurrock Council, perhaps for an extended period.

7.2. **Recommended Change**

- 7.2.1. It is recommended that when formal documents are not available to prove identity, such as a birth certificate or passport, professional verification of identity will be accepted, particularly for care leavers, but also at the discretion of the Housing service.

8 Reciprocal Offers

8.1. Context

- 8.1.1. A reciprocal housing scheme enables individuals and families at risk of domestic abuse or violence and with a social tenancy to move to a safe area whilst retaining their tenancy. It is a formal collaboration between social housing providers.
- 8.1.2. A reciprocal scheme ensures survivors do not have to approach a local authority as homeless and potentially be offered private rented accommodation without any security of tenure when they had to flee their secure tenancy through no fault of their own.

8.2. Recommended Change

- 8.2.1. It is recommended that a position statement is included within the Housing Allocations Policy to clarify the position of Thurrock Council in its approach to accepting requests for reciprocal arrangements and the aims for the types of properties offered.

It is recommended that within the statement, it is clarified that the council will seek to offer an alternative property in Thurrock on a like-for-like basis, intending to match as closely as possible to the property size and type that the survivor of domestic abuse or violence has left for their safety.

9 Direct Offers for Homeless Applicants

9.1. Context

- 9.1.1. Under the current Housing Allocations Policy, homeless applicants who have been awarded a priority under Section 10.7.1 (homeless applicants owed the main housing duty) will be given four weeks to bid for suitable properties.

If the applicant fails to bid for suitable properties within the priority time limit, the Housing Allocations Team may make a direct offer of suitable accommodation to meet its statutory duty and to minimise the use of temporary accommodation.

9.2. Recommended Change

- 9.2.1. It is recommended that the four-week priority time limit is removed. In practice, this policy element prevents direct offers from being made until the period expires. It can cause unnecessary delays and increase temporary accommodation usage, especially when making a direct offer could be the most suitable action to support such an applicant to move into secure, stable accommodation.

10 Priority Banding for Foster Carers

10.1. Context

10.1.1. The Housing Allocations Policy makes provision for applicants who have been assessed and approved by the council to foster or adopt a child but cannot do so until larger accommodation is provided, to be awarded a band 3 priority.

There is, however, a conflict between how this priority is awarded and the approval process for foster carers within Children's Services, which risks causing the application to become a foster carer to stall.

10.2. Recommended Change

10.2.1. It is recommended that those in advanced stages of being accepted as foster carers be awarded a band 3 priority for being rehoused in a larger property (if an extra bedroom is required). The recommended change will allow their application to become a foster carer with Children's Services to progress to completion.

11 Extra Care

11.1. Context

11.1.1. The council can make offers of accommodation or nominations for vacant extra care properties at two schemes in the borough – the council-run Piggs Corner and the Anchor Hanover operated Elizabeth Gardens.

Eligibility criteria for these properties include the need for extra care support. However, applicants must also be eligible for a nomination of social housing, which means they must qualify in the usual manner for an allocation, i.e. they must have the appropriate local connection in line with the Council's Allocations Policy.

11.1.2. Applicants are also assessed for the number of bedrooms they require according to their household size. A single person or couple would typically be eligible for a one-bedroom property; however, there may be situations where two bedrooms are required - for example, where there is a need for a live-in carer or to accommodate large medical equipment.

11.1.3. The council has no difficulty nominating applicants for the one-bedroom flats but often cannot find applicants who qualify for the two-bedroom flats. Many applicants who qualify for a one-bedroom flat would like a two-bedroom property but do not qualify for a property of this size under the Housing Allocations Policy.

Subsequently, there have been several occasions when the council do not have nominees for two-bedroom flats, and Anchor Hanover has allocated properties to people on their waiting list. This has been possible as their waiting list has different criteria, meaning that allocations to applicants from

outside the borough could be made without the six-year local connection required by Thurrock Council.

11.2. **Recommended Change**

- 11.2.1. It is recommended that where no waiting applicants meet the criteria for a two-bedroom property specifically designed for older people, the property can be offered to a couple or single person (still subject to the other eligibility criteria for social housing as outlined).

12 **Working Households**

12.1. **Context**

- 12.1.1. Thurrock Council allocates a maximum of 20% of its advertised properties for applicants with a member of the household who is working.

The 20% would include properties advertised for the Housing Waiting List and the Transfer List, and only those with 'working household' status can bid for these properties.

This represents:

- maximum of 15% of all properties advertised – only for working Waiting List applicants
- maximum of 5% of all properties advertised – only for working Transfer applicants

- 12.1.2. For an applicant to be eligible for 'working household' status under the current criteria in section 5.8 of the Housing Allocations Policy, employment must currently be permanent and for at least 16 hours per week.

- 12.1.3. How people access work and the types of contracts held are increasingly different from when the Housing Allocations Policy was last updated. It is increasingly common for people to hold zero-hour contracts over extended periods; however, the current policy would not recognise such applicants as 'working households'.

- 12.1.4. The Housing Allocations Policy does not explicitly refer to self-employed applicants seeking to secure 'working household' status. This omission makes it difficult for officers to best support those who are self-employed and want to make an application as a 'working household'.

12.2. **Recommended Change**

- 12.2.1. It is recommended that the reference to "permanent employment" is removed from the Working Household section of the Housing Allocations Policy. It is

also recommended that applicants with zero-hour contracts be awarded 'working household' status. Applicants can provide payslips confirming that a minimum of 16 hours have been worked per week, averaged over 12 months.

12.2.2. It is recommended that the Housing Allocations Policy makes specific reference to those who are self-employed and agree to an acceptance of tax returns being provided to prove the business has been operational for a minimum of 12 months as eligibility to apply for 'working household' status.

13 Other Changes

13.1. Context

13.1.1. The Housing Allocations Policy currently has the phrase "exceptional circumstances" featured throughout the document when referring to the ability of the council to exercise discretion in decision-making. This wording presents challenges as it can be considered too ambiguous as there is no definition of what constitutes "exceptional".

The word "exceptional" also does not support the person-centred approach the Housing service, and wider organisation aims to support, as circumstances should not need to be "exceptional" to make a decision that best helps the applicant and their household.

13.1.2. The Housing Allocations Policy does not currently have specific sections that relate to areas which can be relatively complex and where the council has statutory obligations to provide additional support, such as:

- Members of the armed forces
- Care leavers / looked after children
- Victims of domestic abuse
- Medical referrals

13.1.3. The Housing Allocations Policy currently states that applicants will be expected to pay four weeks' rent in advance unless they are already in receipt of housing benefits (or can prove that they are eligible for housing benefits).

13.2. Recommended Change

13.2.1. It is recommended that the phrase "exceptional circumstances" is removed from the Housing Allocations Policy and replaced with appropriate alternative wording which reflects the focus on a person-centred approach.

13.2.2. It is recommended that the Housing Allocations Policy has specific sections written for the following to provide clarity on how the council will handle applications and any statutory obligations it must fulfil, as well as empowering officers to look at a person-centred approach:

- Members of the armed forces
- Care leavers / looked after children
- Victims of domestic abuse
- Medical referrals

13.2.3. It is recommended that the Housing Allocations Policy be updated to reflect operational changes, stating that only one week of rent will be required in advance by all applicants, regardless of receipt of housing benefits or proving they are eligible for housing benefits.

14 Reasons for Recommendation

- 14.1. The changes recommended within this report have been designed following significant and detailed levels of stakeholder engagement. A broad range of topics has been covered throughout these sessions.
- 14.2. The recommended changes within this report will ensure that the Housing Allocations Policy adapts, remains fit for purpose, meets the needs of residents seeking to access the Housing Register and supports the delivery of the aims, objectives and principles of the Housing service and wider council.

15 Engagement (including Overview and Scrutiny, if applicable)

- 15.1. Engagement to review changes that the Housing Allocations Policy may require started in January 2022 with internal stakeholders from the Housing Solutions service. A plan was developed to determine how best to approach the review, whom the council should engage, and how.
- 15.2. This plan led to a series of one-to-one sessions with frontline officers within the overall Housing Solutions service to understand how the policy could better support the delivery of positive outcomes for applicants from the perspective of officers but also based on feedback provided by applicants through day-to-day operations. It was an open forum to provide feedback on what currently works well in the policy, areas that could be changed or improved, or where further clarity was needed.
- 15.3. Following the initial internal engagement, a series of sessions were set up to consult further within the organisation, including those working in the extra care facility, hospital discharge teams, children's services, and external partners such as local housing associations and health partners.
- 15.4. The council also established a resident-facing engagement portal to gather further evidence and information on what worked well or did not work well in the Housing Allocations Policy, as well as feedback around specific priority areas identified from the initial internal stakeholder engagement.

- 15.5. Once the council had collated all of the feedback, analysis and assessment of the engagement findings were carried out. Applicable and appropriate changes to the Housing Allocations Policy have been presented within this report. Engagement feedback related instead to internal processes, procedures or practices that needed to be reviewed or updated has been recorded separately to deliver through subsequent improvement projects.
- 15.6. The proposed changes are being presented to the Housing Overview and Scrutiny committee for feedback in November 2022 along with a development draft of the revised Housing Allocations Policy, with a view that these proposals will proceed to Cabinet for approval in December 2022 alongside the final draft of the policy.
- 16 Background papers used in preparing the report** (including their location on the council's website or identification whether any are exempt or protected by copyright):

- None

17 Implications

17.1. Financial

Implications verified by: **Mike Jones**
Strategic Lead – Corporate Finance

A number of the recommended changes to the Housing Allocations Policy seek to reduce the time which properties remain vacant whilst suitable applicants are identified.

The changes to the age at which applicants become eligible for Sheltered Housing will increase the pool of suitable applicants, targeting a strategic area for improvement by improving reletting times and driving down the void loss in the Housing Revenue Account.

The proposal to remove the four-week waiting period for homeless households before a direct offer of accommodation can be made is anticipated to see a reduction in the use and duration of temporary accommodation placements in the private sector.

The total cost to the HRA in respect of income loss as a result of property voids was estimated to be £0.256m for the financial year to date. This is an average as £90.74 of rent loss per vacant property per week. The £0.256m anticipated income loss is included as part of the HRA dwelling rent income budget, which equates to £46.547m.

In the current financial year, it is estimated that top-up payments through the general fund temporary accommodation for such placements cost an average of £111 per placement per week.

Where appropriate, if a direct offer of accommodation can be made as a result of the proposed change in the policy, the General Fund will save the average top-up cost of £444 through the avoidance of the use of temporary accommodation for the initial four-week waiting period. In addition, the top-up costs for any further time the applicant would otherwise have spent temporary accommodation while alternative permanent accommodation is identified will also be avoided.

The HRA will also benefit from reduction in the level of lost income as a result of voids, with the allocation process being expediated.

These saving will be ratified and considered as part of the 2023/24 budget setting process.

17.2. **Legal**

Implications verified by: **Simon Scrowther**
Principal Litigator

The allocation of housing by local housing authorities is regulated by Part 6 of the Housing Act 1996 (HA 1996). A local housing authority (LHA) must comply with the provisions of Part 6 when allocating housing accommodation (section 159(1), HA 1996). However, subject to this compliance, authorities may otherwise allocate housing in any manner they consider appropriate (section 159(7), HA 1996).

Section 166A(1) of the HA 1996 provides that every LHA must have an allocation scheme for determining priorities between qualifying persons. In formulating or amending its allocation scheme, a LHA must have regard to its current homelessness strategy under section 1 of the Homelessness Act 2002. An allocation scheme may be framed to give additional preference to particular descriptions of people (section 166A(5), HA 1996). However, a LHA must not allocate housing accommodation except in accordance with its allocation scheme (section 166A(1), HA 1996).

As a result of changes made by the LA 2011, with effect from 18 June 2012, LHAs have been able to decide who “qualifies” for an allocation. Accommodation can therefore only be allocated to someone who qualifies under those local criteria (section 160ZA(6), HA 1996). Who qualifies is largely a matter for the LHA (section 160ZA(7), HA 1996). The Secretary of State does however have the power to prescribe classes of persons who are, or are not, to be treated as qualifying persons (section 160ZA(8), HA 1996).

Where changes are to be made to an allocation scheme it is a requirement to consult with those affected by the changes (s105 HA 1985), including Registered Providers.

17.3. **Diversity and Equality**

Implications verified by: **Roxanne Scanlon**
**Community Engagement and Project
Monitoring Officer**

Engagement activity has already taken place in the process of setting out the proposals included within this report, and it has been identified that further activity is outlined to seek views on the specific changes set out in this paper.

An equality impact assessment will be carried out to determine the impact of any changes.

17.4. **Other implications** (where significant) – i.e. Staff, Health Inequalities, Sustainability, Crime and Disorder and Looked After Children

Not applicable

18 **Appendices to the report**

- Development Draft – Housing Allocations Policy (April 2023)

Report Author

Ryan Farmer

Housing Strategy & Quality Manager

Business Improvement - Housing