



Leicester
City Council

WARDS AFFECTED

All Wards

**CABINET
HOUSING SCRUTINY**

**18th November 2002
9th January 2003**

THE HOMELESSNESS ACT 2002

Report of the Corporate Director of Housing

1. Purpose of Report and Summary

The Homelessness Act 2002 gives more rights to homeless people and promotes choice in Council and Housing Association homes for all applicants.

This report explains the recent homelessness legislation and how it affects the Council's Allocation Policy and where policy decisions are needed.

The significant issues are:

- a) **A Homelessness Review and Strategy** must be prepared for the city.
- b) It is no longer a requirement to maintain the **Housing Register**. (The legal requirement is removed to help those Councils who want to adopt a certain type of advertisement based system). This Council will still need a scheme for determining priorities and a system of recording applications. It is therefore proposed we keep a register.
- c) The Act makes a number of changes to **the way Councils can allocate their housing**. The draft code of guidance has been published and certain matters clarified, officers are no longer of the opinion that current policies relating to the treatment of those with rent arrears, anti social behaviour, no local connection or refusals of two offers will have to cease. However there will need to be a number of minor changes to the way the policies are implemented. These need to be agreed in order to comply with the Act by January 2003 and are set out in Appendix 1 of the supporting information.

- d) The Code of Guidance states Council's should consider adopting a **simplified system of applicant prioritization** in place of a complex points based approach. Officers have prepared two models within this report shown in Appendix 2. A change to either model would require full consultation with stakeholders.
- e) **Choice Based Lettings are promoted** in the Act as a significant way to increase choice in social housing for applicants. Properties would be advertised not allocated. A model of choice based lettings is set out in Appendix 4. Members are asked to consider whether they wish to explore a Choice Based Lettings scheme. This would require further consultation.

2. Recommendations

- 2.1 That the Council continues to maintain a Housing Register.
- 2.2 That the new duties and powers outlined in this report are noted and minor changes made to the Housing Allocation Policy to ensure compliance with the Act by January 2003 (Appendix 1).
- 2.3 That a simplified allocation scheme (as shown in Appendix 2 Model 1) is adopted subject to consultation with Housing Scrutiny Committee and Stakeholders.
- 2.4 That, Housing Scrutiny Committee and Stakeholders are consulted on whether the Council should pursue a "Choice Based" letting scheme.

3. Headline Financial and Legal Implications

The legal changes required to the Allocations Scheme can be met from within existing resources. The implications of a Choice Based Lettings Scheme would need further assessment.

4. Report Author/Officer to contact:

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DECISION STATUS

| | |
|--------------------------------------|------------------------|
| Key Decision | Yes |
| Reason | Policy Decision |
| Appeared in Forward Plan | Yes |
| Executive or Council Decision | |



WARDS AFFECTED

All Wards

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:

**CABINET
HOUSING SCRUTINY**

**18th November 2002
January 2003**

THE HOMELESSNESS ACT 2002

SUPPORTING INFORMATION

1. INTRODUCTION

The Homelessness Act 2002 Homelessness provisions came into force in July 2002 and the Allocations provisions will come into force in January 2003.

The Office of the Deputy Prime Minister (ODPM) is developing a national homelessness strategy to help set the context for implementing the Homelessness Act. The Act will also be accompanied by an updated code of guidance and a good practice guide on homelessness strategies. A draft code of guidance has now been published for comments. This report is based upon the provisions of the Act and the draft code of guidance.

This paper is split into 3 sections

- 1. Information on Homelessness Duties**
- 2. Reforms to the Allocation Policy**
- 3. New Duty to carry out Homelessness Reviews and Strategies**

2. INFORMATION ON HOMELESSNESS DUTIES

In Leicester policy and practice already follows much best practice, therefore the Act will have a reduced impact on Leicester's current practice. They do place a statutory duty upon Leicester to continue such policies, which we provided previously at our discretion.

The changes are as follows:-

- 2.1 *Removing the current 'two year' duty to provide settled accommodation, and giving local authorities an ongoing responsibility to provide settled accommodation for unintentionally homeless households in priority need.*

The 'two year' duty had no impact in Leicester as almost all statutory homeless applicants are rehoused to permanent accommodation directly using the Housing Register. We will continue to offer permanent rehousing to approved homelessness applicants.

- 2.2 *Abolishing the duty on authorities to consider whether other suitable accommodation is available before they can secure accommodation.*

- 2.3 *Restricting the circumstances in which an offer of an assured shorthold tenancy in the private rented sector constitutes a discharge of duty to where the Council operates a specific scheme.*

We do not arrange Assured Shorthold Tenancies in the private rented sector and have no current scheme to discharge our duty in this manner.

- 2.4 *Introducing a new power (but not a duty) for authorities to secure accommodation for homeless applicants who are not in priority need, and strengthening duties on advice and assistance*

This power is noted. Whilst this power is not exercised at present, applicants may make application to the Housing Register and be considered relative to other applicants including homeless applicants who are in priority need.

The Housing Options approach meets the requirement for these applicants to be provided with advice and assistance in finding accommodation themselves.

- 2.5 *Section 207 of the Housing Act 1996 is repealed which had previously restricted the ways in which the Council could discharge homelessness duties.*

This provision is welcome and removes some restrictions placed upon homeless families. It will continue to be policy to allocate a permanent home as soon as possible to homeless clients.

- 2.6 *Introduction of a new duty of co-operation between Housing and Social Services Departments where a household is either ineligible for assistance or is homeless or threatened with homelessness intentionally and where the household includes a person under the age of 18 years.*

There is a duty to ask such applicant's permission to allow Housing to inform Social Services of the facts and decision of the case. This duty is fulfilled through the Housing Options approach. Once informed via this mechanism Housing will have to provide Social Services with such advice and assistance as Social Services may reasonably request.

Housing and Social Services already have a joint protocol for such cases.

2.7 *The government has made an order under the Housing Act 1996 to extend the groups of people considered to have a priority need for housing. The additional groups are as follows (though certain groups contain exceptions):*

- ❑ *homeless 16 and 17 year olds*
- ❑ *people under 21 who were 'in care' between 16-18 years of age*
- ❑ *people aged 21 years or older who are vulnerable as a result of having been 'in care'*
- ❑ *people who are vulnerable as a result of leaving the armed forces*
- ❑ *people who vulnerable as a result of having been in custody*
- ❑ *people vulnerable because they have fled violence or threats of violence*

Leicester already recognises 16 and 17 year olds as vulnerable, has a protocol for care leavers and deems people fleeing violence as in priority need. The Housing Department has secured Home Office funding for a prisoner advice and assistance project and this is currently being set up.

2.8 *A right to request a review of the suitability of accommodation made in discharge of a part 7 duty, regardless of whether the offer has been accepted or rejected (s202(1A)).*

The Code of Guidance states that the Council should advise the applicant of the review procedures which has led to a change in wording on the documentation used.

Leicester's Homeless approved applicants are offered a choice of permanent accommodation through the Housing Register and our nomination rights to Housing Associations. This gives applicants a choice of 42 areas in the city. Options Officers will explain to applicants the elements of choice available before the offer is made.

We cannot make a final offer unless it is suitable for that applicant and reasonable for that applicant. Where an offer is a final offer in discharge of our homeless duty this is made clear in writing. Applicants have the right to a review of the suitability of that offer. Applicants can either refuse the offer and request a review or they may accept the offer, move in and ask for a review whilst the tenant. If the applicant moves in and fails in their review, then they can stay in the property.

If the applicant moves in and wins their review, then they are eligible to be offered a new property with their Homelessness points.

- 2.9 *The Act brings in a requirement to assess an applicants housing need prior to advice and assistance being provided. The Code of Guidance suggests this may need to be wider than that used for the purpose of s184. The Code of Guidance also highlights that persons owed a homelessness duty should also to be given a copy of the Council's allocation scheme and information on how to apply for accommodation.*

These requirements are delivered through the Housing Options approach. The Housing Options interviews include an assessment of the applicants housing need with advice subsequently given. Also all applicants where a homelessness declaration is made are to be given a Housing Application form and a copy of the 'Guide to Housing in Leicester' and advice on how to apply for accommodation. All advice interviews are followed by a letter to the applicant setting out the advice given.

3. REFORMS TO THE ALLOCATIONS POLICY

The legal changes for allocating and letting Council homes is intended to give more choice to people seeking housing. Councils will have to publish a policy, which explains how they let their homes and how they will offer a choice of accommodation. Certain changes outlined below and summarized in Appendix 1 will need to be implemented by January 2003 regardless of any decision made concerning Choice Based Lettings or a simplified Allocation Scheme.

- 3.1 *The Act requires Councils to have a statement on choice and an Allocations Scheme.*

Government guidance is strongly suggesting applicants should be given more choice in choosing social housing available to them. There is a requirement to produce a statement of the authority's policy on offering people who are to be allocated housing accommodation either a choice of housing accommodation; or the opportunity to express preferences about the housing accommodation to be allocated to them.

We recognise that allowing customers to express choice reduces the likelihood of refusals of offers of accommodation. Choice is already given in the following ways and will form the basis of the statement on choice;

1. Choice of area, with the city divided into over 40 areas.
2. Choice of property type, within a range for which an applicant is eligible.
3. Homefront, active marketing of low demand properties.
4. Choice of a selection of streets in three low demand areas.
5. HOMESWAP, enhancing the opportunity for mutual exchange without the need to use the housing register.

6. Producing a range of new leaflets that set out the availability of homes (for example 'Adapted Housing News', 'Large Family Homes' and the new Accommodation Guides))

To increase the customers ability to express a choice in future it is recommended that the allocations scheme:

7. Takes into account any streets where the applicant has specified in advance they do not want offers (this might not apply to certain priority applicants where the need to rehouse might override elements of the applicant's choice)
8. Allows applicants to choose one less bedroom than the current bedroom standard allows.

In addition to the statutory statement, choice will be promoted to customers;

- through the role of the Housing Options Officer, Neighbourhood Housing Officer or Community Care Officer.
- through the production of easy to understand information on demand and turnover in different areas (Accommodation Guides).
- and with officers examining our lettings policy and practice in light of good practice identified in the Office of the Deputy Prime Minister 'Choice Based Lettings Pilot Schemes'.

With the exception of HOMESWAP, the above choice is framed within the operation of the Allocation Scheme: when people have picked these areas and property types they then appear on a waiting list; the Housing Register. When a property becomes available the Neighbourhood Housing Office looks at the list for that area and property type and offers it to the person at the top of the list.

The guidance suggests Local Authorities should now *consider* moving from this allocation scheme to an advertising scheme, in order to promote choice, this is outlined in **Appendix 4**.

3.2 *The Act has made some alterations as to who is eligible for offers*

Everyone will have the right to have their application considered by the Council, however applications are tested for eligibility and certain applicants will be ineligible and will not be allowed on the Housing Register and offered accommodation.

1. Applicants will be ineligible (or with no preference) if they have been, or were themselves part of a household, guilty of unacceptable behaviour serious enough to make them unacceptable as a tenant (i.e. if they were a secure tenant, their local authority would be in a position to apply for a possession order). The grounds upon which this behavior is judged unacceptable are outlined in Part 1, schedule 2, Housing Act 1985 which are shown in **Appendix 3**.

It is recommended that these applicants are treated as ineligible and not with 'no preference'. If receiving 'no preference' and but still eligible, these applicants may on occasion still come up for offers of accommodation in low demand areas.

All applicants in **Appendix 3** will be deemed as ineligible in line with our current practice.

Currently applicants are excluded for three years, it will no longer be possible to set an absolute limit, however as a general rule applicants will need to show their behaviour, which has made them unsuitable to be a tenant, has improved, unless there has been a considerable lapse of time. Legal advice suggests 5 years would be a considerable lapse of time. It should be noted however that each individual case when re-applying would be looked at on it's own merits.

Leicester's previous policy was to assist Probation in managing the risk of high risk offenders whose **connection was with Leicester**. Currently applicants residing in Bail or Probation Hostels in Leicester with no previous connection with Leicester can be excluded. This is no longer possible as all applicants with or without a local connection can go on the register albeit with reduced priority if with no local connection. The Code of Guidance states that high risk offenders should be allocated accommodation in the light of considered decisions about managing any risks associated with their risk from prison into the community.

2. Applicants with serious rent arrears could also be deemed as ineligible as their behaviour would be grounds for possession and would make them unsuitable to be a tenant. It is suggested that a level is set and all arrears at this level or above will be treated as ineligible.

Other applicants with less arrears will receive reduced preference until their arrears are tackled.

3.3 *The Act has made some alterations as to who should have preference*

The reasonable preference categories have been amended and the following classes of applicant must receive reasonable preference (these are covered in Appendix 1):

1. *People who are homeless.*
2. *People who are owed a duty by any local housing authority under section 190(2), 193(2) or 195(2) (or under section 65(2) or 68(2) of the Housing Act 1985) or who are occupying accommodation secured by any such authority under section 192(3);*
3. *People occupying insanitary or overcrowded housing or otherwise living in unsatisfactory housing conditions;*
4. *People who-need to move on medical or welfare grounds; and*

5. *People who need to move to a particular locality in the district of the authority , where failure to meet that need would cause hardship (to themselves or to others).*

The current Allocations Policy gives reasonable preference to most of these categories of applicant, however some amendment will be required.

The Act has now included applicants owed a duty under section 190(2) of the 1996 Act. Applicants covered by section 190(2) are those who are intentionally homeless and who have a priority need. Note that this will not apply to those where the reasons for intentionality include incidences of behaviour which make an applicant ineligible to appear in the scheme (see 3.2).

3.4 *The Act allows us to reduce priorities of people with a reasonable preference*

Our current allocations scheme allows us to suspend applicants who have rent arrears, who do not meet a local connection, who have failed a property inspection, refused 2 offers, those not ready to move etc

The new legislation means we cannot suspend applicants. They are either on the register and eligible for an offer or not on the register and not eligible for an offer. This new legislation, however, allows us to reduce priorities between people who fall into a reasonable preference category. This mechanism will be used to make sure offers go in the first instance to people with a local connection as defined in the current Allocation Scheme, those with no rent arrears, those who haven't refused a number of offers and those who pass a property inspection. This is covered by the scheme proposed in Appendix 1.

The current allocations system requires a restriction on the number of suitable offers made to each applicant to function effectively. Without such a limit the Allocation Policy might contribute to an increase in void times and the associated loss of rental income.

For this reason we are suggesting applicants receive 2 offers after which their priority is reduced to lower points for 12 months after which they will revert to the higher previous points. This effectively maintain current policy.

3.5 *The Act requires us to treat our tenants (transfer applicants) in the same way as other applicants*

All applicants who apply for housing must now be treated in exactly the same way, this means that the current system of one set of points for tenants and one for all other applicants will now cease. This will mean the removal of points categories for Special Case transfers as it is impracticable to apply these points to non-tenants. This is covered by the scheme proposed in Appendix 1.

The Rent Arrears Policies will apply to Social and Private Sector Tenants whereas currently they apply only to Social Housing Tenants.

3.6 *The Code of Guidance outlines the way in which lone parents aged 16 and 17 years should be dealt with*

Government policy on the rehousing of lone parents under 18 years is now included within the Code of Guidance. The intention is for 16 and 17 year old lone parents who require accommodation to be rehoused to semi independent accommodation with support in most instances. Only in exceptional cases can independent accommodation without support be provided.

Applications from 16 and 17 year old lone parents will require the Housing Options Centre to undertake a joint assessment with social services. Applicants will have to provide their consent prior to any social services contact. A protocol will be required which includes the situation where a lone parent does not provide their consent to contact social services. This protocol will be progressed by the Housing Options Service.

4. Introduction of duty to undertake Homelessness Reviews and Strategies

The third area covered by the Act is a requirement that all local authorities undertake a review of homelessness in their area and produce a strategy to tackle the issues their review identifies. It requires councils to move away from dealing with homelessness on a crisis management basis, adopting instead an approach based much more on prevention, strategic planning and joint working.

The new approach puts a lot of emphasis on joint working - in undertaking reviews, preparing a strategy and delivering the strategy once it is finalised. Social services authorities, for example, are required to give 'reasonable assistance' to help housing authorities prepare the strategy (if requested) and the local authority is required to consult widely before adopting or modifying its strategy. Housing associations will have a key role. Both Housing and Social Services Departments must take the strategy into account in exercising their statutory functions.

The strategy will draw upon work outlined in the 'Homeless Children and Families Strategy', 'Single Homeless Strategy' and 'Future Housing and Support Services Plan for Children and Families'.

OTHER IMPLICATIONS

5. Equal Opportunities

Homeless people (including families) are amongst the most disadvantaged and excluded groups in our society and obtain equitable access to rehousing through the Councils discharge of its duty in Parts 6 and 7 of the Housing Act 1996. The changes brought about through the Homelessness Act 2002 will be managed to maintain diversity and equality in the operational delivery of services.

The Code of Guidance makes reference to the Council's responsibility to ensure the Lettings Policy and Procedure does not discriminate directly or indirectly on racial grounds. Work has been undertaken which has reviewed the Council's Allocation Policy in light of the Race Relations Amendment Act and officers are satisfied it does not discriminate directly or indirectly.

The Allocation scheme will be reviewed after 12 months to ensure it complies with the Race Relation Amendment Act.

The Code of Guidance suggests Allocation Policies and Procedures should be open and transparent and applicants given an active role in their choice of housing to improve access and awareness of social housing to BME households. Statistics from the current Housing Register show that 40% of applicants are from BME households, therefore the current system is accessible and new system should remain as accessible. Some authorities are using Choice Based Lettings to promote this choice.

| OTHER IMPLICATIONS | YES/NO | Paragraph Within Supporting information | References |
|--------------------------------------|--------|---|------------|
| Equal Opportunities | YES | 5 | |
| Policy | YES | Section 3 | |
| Sustainable and Environmental | NO | | |
| Crime and Disorder | YES | 3.2 | |
| Human Rights Act | YES | 6 | |
| Elderly People/ People on Low Income | NO | | |

6. Human Rights Act

The Homelessness Act 2002 has received a statement of conformity with the Human Rights Act.

7. Details of Consultation

A copy of the draft report was sent to over 100 organisations for comment.

Statutory consultation has been carried out with Registered Social Landlords which has resulted in one response which highlighted concern over the suitability of nominees to properties under the nomination agreements with Registered Social Landlords. The RSL would continue to expect nominees would continue to meet their allocation criteria.

Responses were received from 4 other external agencies. Leicestershire Constabulary and Leicestershire and Rutland Probation Service had no comment.

The Leicestershire, Northamptonshire and Rutland Health Authority highlighted that the Act would make desirable good practice a duty. The Leicestershire Centre for Integrated Living commented that the needs of disabled persons should be included, their comments will be kept on file in preparation for the Homelessness Review.

8. Aims and Objectives of the Housing Department

The discharge of Homelessness duties through the Housing Register and the Housing Allocations Policy contribute towards the departments aim of a decent home within the reach of every citizen of Leicester.

9. Local Government (Access to Information) Act 1985

- 12.1 Housing Act 1996
- 12.2 Homelessness Act 2002
- 12.3 Housing Act 1985
- 12.4 'Strengthening the Net' from Housing Magazine November 2001 (CIH)
- 12.5 Homeless Children and Families Strategy, Housing and Community Care Forum 13th February 2001
- 12.6 Single Homeless Strategy Report, Housing Committee 7th June 1999
- 12.7 Future Housing and Support Services Plan for Children and Families, Housing and Community Care Forum 13th February 2001
- 12.8 Speakers notes from CIH seminars on the Homelessness Bill by Frances Walker, David Gleeve and Alan Edwards
- 12.9 Allocation of Accommodation, Code of Guidance for Local Housing Authorities, A Consultation paper. ODPM May 2002.
- 12.10 Homelessness Code of Guidance, ODPM July 2002.
- 12.11 Lettings a question of choice. Tim Brown DeMontfort University April 2000
- 12.12 Getting Started in Choice Based Lettings. ODPM July 2002.
- 12.13 The lettings Lottery. The range and impact of lettings policies. Shelter. June 2001

Appendix 1

The following changes need to be made to ensure the current scheme complied with legislation by January 2003.

The changes include the removal of Special Case points and the introduction of reduced priority points for applicants who do not have a local connection or who have moderate rent arrears or have refused 2 offers. They will receive the points in the third column.

Insecure accommodation points are re-defined to include applicants who are intentionally homeless who have a priority need.

These changes will require all 6500 suspended cases to be re-assessed and pointed according to the new scheme.

The computer program will require re-writing to add new points categories, new applicant categories and to remove the suspension function.

Appendix 1 continued

| Circumstances | Points for applicants | Points for people with reduced priority | Time in need - Points per month |
|---------------|-----------------------|---|---------------------------------|
|---------------|-----------------------|---|---------------------------------|

| | | | |
|---|-----|----------------|----------------|
| Referred cases | 600 | Not applicable | 1 – 48 |
| Compulsory home loss | 500 | 10 | 1 – 48 |
| Harassment | 350 | 10 | 1 – 48 |
| Access, Health, Care & Support High Level | 300 | 10 | 1 – 48 |
| HOMES Mobility | 250 | 10 | 1 – 48 |
| Homelessness | 250 | Not applicable | 1 – 48 |
| Insecure accommodation | 150 | 10 | Not applicable |
| Management Case | 300 | 10 | 1 - 48 |

| | | | |
|-------------------------|-----|---|--------------|
| Temporary accommodation | 150 | 5 | 1-48 maximum |
| Overcrowding 1 bedroom | 125 | 4 | 1-24 maximum |
| Overcrowding 2 bedroom | 150 | 5 | 2-48 maximum |
| Overcrowding 3 bedroom | 175 | 6 | 3-72 maximum |
| Overcrowding 4 bedroom | 200 | 7 | 4-96 maximum |
| Overcrowding 5 bedroom | 225 | 8 | 5-120maximum |

Please note: you can only qualify for one of the priority groups shown in the shaded areas. There are also some restrictions on certain other combinations of points.

Appendix 1 continued

| Circumstances | Points for applicants | Points for people with reduced priority | Time in need - Points per month |
|------------------------------------|-----------------------|---|---------------------------------|
| Sharing facilities with 1-4 people | 10 | 1 | 1-24 maximum |
| Sharing facilities with 5+ people | 15 | 2 | 1-24 maximum |
| Under-occupation | 60 per bedspace | 3 | 1-24 maximum |
| Access, Health, Care & Support | | | 1-24 maximum |
| - Medium Level | 150 | 6 | |
| - Low Level | 75 | 3 | |
| Unfitness | 20 | 1 | 1-24 maximum |
| Age 75+ | 5 | 1 | Not applicable |
| Age 80+ | 10 | 2 | Not applicable |
| Age 85+ | 15 | 3 | Not applicable |
| Children | 1 per child | 1 per child | Not applicable |
| Children in upper floor accom | 6 per child | 1 per child | 1-24 maximum |
| Children/OAPs in tower block | 1 per child | 1 per child | 1-24 maximum |
| Children with no garden | 1 per child | 1 per child | 1-24 maximum |
| SUPPLEMENTARY POINTS | | | |
| Low income* | 20 | 1 | Not applicable |

* These points will only be awarded to people with one set of the priority points shown in the shaded area on the opposite page

Appendix 2

Two models for determining priorities between competing applicants based on their housing needs.

These models are presented so Members may consider simplifying the current scheme in line with Government guidance. Appendix 1 shows how the current scheme will need modifying to meet legislation regardless of the decision made here.

The current system is sophisticated to the point of confusion and is generally poorly understood by customers. The Code of Guidance suggests consideration is given to a simpler approach. Any scheme needs to recognise the reasonable preference which must be given to certain applicants.

Set out below are 2 models of awarding a reasonable preference to applicants, the first model is a points based scheme similar to that used already with individual applicants gaining individual points plus additional points for any time in need.

The second model is a broad bandings based scheme where applicants will be placed in a band reflecting their housing need. The length of time in a band will be used to determine between households with similar levels of need.

The two models allow priority to be reduced for applicants with a reasonable preference, one with reduced preference in points and one with reduced preference in bandings where they have rent arrears, no local connection or refuse multiple offers.

There is a dilemma between people being recognised as being in urgent need of rehousing and the same people choosing to prolong the length of time spent in unsuitable accommodation whilst they await very specific properties, for example a property in one area only. Urgent housing need is recognised in both models, however we recommend then that all time in need points cease to accrue after 12 months to encourage applicants who have a housing need to move to look at all areas of the city where housing is available.

Case law requires households with a multiple urgent need to be given more priority than a household with only one urgent need. In model one this is achieved through allowing certain combinations of points and in model two through increasing the time in need points for such applicants.

Model Two could not be introduced with the Department's existing computer software. New software is being considered which would give this option, but is unlikely to be operational for 2-3 years.

Appendix 2

Model 1

Simplified points system

This is similar to the existing scheme with some rationalised categories. Competing applicants with similar levels of housing need will be differentiated through accrued time in need points.

Applicants with rent arrears, no local connection or who have refused a number of suitable offers will have their priority reduced in their reasonable preference category to the points in the third column of the table, until their circumstances change (or for 12 months in the case of refusals).

**Appendix 2 continued
Model 1**

| Circumstances | Normal priority reasonable preference | Reduced priority reasonable preference (rent arrears/ no local connection) | Time in need - Points per month β |
|---------------|---------------------------------------|--|-----------------------------------|
|---------------|---------------------------------------|--|-----------------------------------|

| | | | |
|---|-----|----------------|----------------|
| Referred cases | 600 | Not applicable | 4 – 48 |
| Compulsory home loss | 500 | 10 | 4 – 48 |
| Harassment | 350 | 10 | 4 – 48 |
| Access, Health, Care & Support High Level | 300 | 10 | 4 – 48 |
| Homelessness | 250 | Not applicable | 4 – 48 |
| Insecure accommodation | 150 | 10 | Not applicable |
| Management Case | 300 | 10 | 4-48 |

| | | | |
|---|-----|---|----------|
| Temporary accommodation | 150 | 5 | 2-24 max |
| Overcrowding /Underoccupation 1 bedroom | 125 | 4 | 1-12 max |
| Overcrowding/ Underoccupation 2 bedroom | 150 | 5 | 2-24 max |
| Overcrowding/ Underoccupation 3 bedroom | 175 | 6 | 3-36 max |
| Overcrowding/ Underoccupation 4 bedroom | 200 | 7 | 4-48 max |
| Overcrowding/ Underoccupation 5 bedroom | 225 | 8 | 5-60 max |

Please note: you can only qualify for one of the priority groups shown in the shaded areas. There are also some restrictions on certain other combinations of points.

| Circumstances | Normal priority reasonable preference | Reduced priority reasonable preference (rent arrears/ no local connection) | Time in need - Points per month β |
|---------------|---------------------------------------|--|-----------------------------------|
|---------------|---------------------------------------|--|-----------------------------------|

| | | | |
|---|------------------------|---|--------------|
| Sharing facilities | 15 (3 per facility) | 1 | 1-12 maximum |
| Access, Health, Care & Support - Medium Level | 150 | 6 | 1-12 maximum |
| - Low Level | 75 | 3 | |
| Unfitness | 20 | 1 | 1-12 maximum |

α These points will only be awarded to people with one set of the priority points shown in the shaded area on the opposite page

Model 1 – a simplified version of the current system

Appendix 2 continued Model 1

The above table is different to the existing scheme as the following categories have been removed/ altered:

Children/ Children in Tower Blocks/ Children in Upper Floor Accommodation/ Children with no garden removed

Children within a household usually confers a priority need where the household is homeless or threatened with homelessness. Having children in and of itself no longer confers a reasonable preference on an applicant under the changes due in January 2003.

Age points/ OAPs in Tower Blocks removed

These applicants who have an urgent need to move due to a care/ support need or decreasing mobility are now assessed under the Access, Health, Care and Support policy.

Underoccupation/ Overcrowding points altered

Under-occupation points have been combined with Overcrowding points to simplify the table as they both relate to the best use of properties i.e. maximising occupancy within reasonable limits.

HOMES Mobility points removed

This scheme allows people to be rehoused to Leicester. These people will have their application considered and points awarded accordingly, without a specific category.

Special Case Transfers removed

These apply to tenants wishing to transfer. As they are only available to tenants and not to waiting list applicants they will require either removal or application to all applicants. It is therefore suggested they are removed. Applicants who may have been awarded these points may be eligible to either Harassment points or the 'Care and Support' element of Access, Health, Care and Support points.

Insecure Accommodation points amended

These apply to applicants who are essentially homeless but who have no priority need. These points would now be awarded to applicants in priority need who are intentionally homeless. Said applicants who have been evicted for rent arrears or asb would likely be made ineligible.

Appendix 2 continued Model Two

A banding scheme.

Applicants circumstances are assessed and they are placed in a banding. When a property is let, it is let to the applicant in the highest band. Where there is more than one competing applicant within a band for a property the applicant with the most 'time in need' points is offered the property. Time in need points generally accrue at the rate of 1 point per month, however should the applicant have a multiple housing need they will accrue at a higher rate. It is suggested that time in need points cease to accrue after 12 months as an incentive for applicants to select properties within a reasonable time period.

| Banding | Housing Need |
|---------|--|
| 1 | Referred Case Compulsory Homeloss |
| 2 | Homeless Access, Health, Care and Support High Harassment |
| 3 | Insecure Accommodation Access, Health, Care and Support Medium 3BED, 4BED, 5BED Overcrowding 3+BED Underoccupation |
| 4 | Temporary Accommodation Access, Health, Care and Support Low 1BED, 2BED Overcrowding 1BED, 2BED Underoccupation Intentionally Homeless and in priority need Sharing points Unfit accommodation |
| 5 | Homeless from another district Any 2,3 or 4 band applicant with no local connection, who has refused 2 offers of accommodation, failed a property inspection or with rent arrears |
| 6 | Anyone without a reasonable preference |

It is suggested that banding schemes are easier and more simplistic for applicants than a points based system, however this does not take into account multiple complex housing needs which must be assessed and preference awarded in accordance with legislation.

Appendix 2 continued
Model 2

A banding system gives slightly more weighting to waiting times, because it uses waiting time to differentiate between applicants in the same broad band. Applicants refusing more than 2 offers would drop into the lowest band for 12 months.

Appendix 3

Applicants who might be considered as ineligible and would require testing, if their behaviour would have given possession on one of the following grounds.

Grounds for considering exclusion

Housing Act 1985 SCHEDULE 2

GROUND FOR POSSESSION OF DWELLING-HOUSES LET UNDER SECURE TENANCIES

PART 1

GROUND ON WHICH COURT MAY ORDER POSSESSION IF IT CONSIDERS IT REASONABLE

Ground 1

Rent lawfully due from the tenant has not been paid or an obligation of the tenancy has been broken or not performed.

Ground 2

The tenant or a person residing in the dwelling-house has been guilty of conduct which is a nuisance or annoyance to neighbours, or has been convicted of using the dwelling-house or allowing it to be used for immoral or illegal purposes.

Ground 3

The condition of the dwelling-house or of any of the common parts has deteriorated owing to acts of waste by, or the neglect or default of, the tenant or a person residing in the dwelling-house and, in the case of an act of waste by, or the neglect or default of, a person lodging with the tenant or a sub-tenant of his, the tenant has not taken such steps as he ought reasonably to have taken for the removal of the lodger or sub-tenant.

Ground 4

The condition of furniture provided by the landlord for use under the tenancy, or for use in the common parts, has deteriorated owing to ill-treatment by the tenant or a person residing in the dwelling-house and, in the case of ill-treatment by a person lodging with the tenant or a sub-tenant of his, the tenant has not taken such steps as he ought reasonably to have taken for the removal of the lodger or sub-tenant.

Appendix 3 continued

Ground 5

The tenant is the person, or one of the persons, to whom the tenancy was granted and the landlord was induced to grant the tenancy by a false statement made knowingly or recklessly by the tenant.

Ground 6

The tenancy was assigned to the tenant, or -to a: predecessor in title of his who is a member of his family and is residing in the dwelling-house, by an assignment made by virtue of section 92 (assignments by way of exchange) and a premium was paid either in connection with that assignment or the assignment which the tenant or predecessor himself made by virtue of that section.

In this paragraph "premium" means any fine or other like sum and any other pecuniary consideration in addition to rent.

Ground 7

The dwelling-house forms part of or is within the curtilage of a building which or so much of it as is held by the landlord, is held mainly for purposes other than housing purposes and consists mainly of accommodation other than housing accommodation. and-

(a) the dwelling-house was let to the tenant or a predecessor in title of his in consequence of the tenant or predecessor being in the employment of the landlord,

or of-

a local authority.

a new town corporation.

an urban development corporation.

the Development Board for Rural Wales, or

the governors of an aided school,

and

(b) the tenant or a person residing in the dwelling-house has been guilty of conduct such that, having regard to the purpose for which the building is used, it would not be right for him to continue in occupation of the dwelling-house.

Ground 8 cannot be relied upon for the purposes of the Homelessness Act 2002

Appendix 4

Choice Based Lettings

Choice based lettings puts the emphasis on matching an applicant and a property **on the applicant** and not the Council. In some choice based schemes this can be likened to homebuyers looking for properties to buy from an estate agent.

When a property became available and it was advertised interested applicants could apply. Applicants would still apply and have their reasonable preferences assessed. The successful applicant would be the one who matched the eligibility for the property and had the highest preference attached to their application. Although applicants are choosing to apply for properties the final outcome on who gets the property is still dependent on the applicants housing need.

The government believes an advertising system will offer applicants more choice and members are asked to consider the pro's and con's as outlined below and make a decision whether to pursue this option further.

In both models the length of time at a particular level of housing need is used to determine between competing applicants.

There are 6 principles underpinning a Choice Based Lettings System, they are:

- Initiative is taken by the customer
- Market information
- Property Information
- System for priority cases
- Eligibility and Selection Criteria
- Communications

Appendix 4 continued

Example

| | |
|-------------------------------|---|
| Label property | Housing organisations determine criteria for a vacant unit |
| Advertising | Vacant unit is advertised in local newspaper or other media |
| Response | Homeseekers react to advertisements by sending in responses by telephone, post or e-mail |
| Verification | Lettings agency check that eligibility criteria are met and response has been correctly made |
| Selection | A ranking list of valid responses according to the selection criteria is produced. |
| Offer | Successful applicant's eligibility are checked, applicant is interviewed and accompanied viewing takes place |
| Feedback/ Announcement | Details of the number of applicants per dwelling and confirmation that the successful applicant meets eligibility criteria. |

Three options are available for implementing choice.

1. A radical step change including all stock in the Local Authority area
2. A middle way approach which consists of piloting a single area or one property type before being rolled out.
3. Or an incremental strategy which involves a number of small steps which would eventually lead to a choice based lettings scheme.

Pros

- Customers are empowered to actively apply for housing instead of passively sitting on the Housing Register.
- The level of transparency is higher as all offers are advertised and the results are published which can lead to higher levels of trust with the Council.
- Giving applicants choice in applying for a home is reported to lead to greater community cohesion and a more sustainable community as applicants have shown their commitment to the area by choosing to live there.

Appendix 4 continued

- Applicants are able to improve their chances of rehousing through assessing the outcomes of the bandings of applicants who were successful in gaining accommodation. What this means is that an applicant in a bronze band who sees the properties they apply for constantly go to gold band applicants they could then start to look at properties previously obtained by other bronze band applicants

Cons

- A choice based lettings scheme distracts from the fact that there is still a lack of social housing in an area, there will still be a mis-match between supply and demand. Choice based lettings does not bring about any more vacancies than are already available
- Applicants may become frustrated at applying for a home and never being successful. This is the likely outcome in Leicester with currently 13000 applicants seeking out approximately 2500 yearly vacancies.
- Void times on empty properties could increase and have in some pilot schemes which would result in a rental income loss for the Council
- Vulnerable applicants may have difficulty interacting with the scheme, though measures can be put in place for staff to advocate on behalf of clients.
- Cost of advertising the vacancies
- Leicester has 52 community languages which could pose problems with advertising and responses.