

# Executive Report

Defining our approach date: 31st October 2013

Housing Scrutiny Commission: 12th November 2013

Giving notice date: 13 December 2013

Decision to be announced on: 23 December 2013

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## **Proposal to Remove Band 5 applicants from the Housing Register**

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Decision to be taken by: Assistant Mayor,

Cllr Andy Connelly

Lead director: Ann Branson



**City Mayor**

## Useful information

■ Ward(s) affected: All

■ Report authors:

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Ann Branson – Director of Housing, ext. 29-6109

### 1. Summary

1.1 The Localism Act 2011 enables local councils to better manage their housing waiting list by giving them the power to determine which applicants do or do not qualify for an allocation of social housing. This makes it easier for authorities to manage unrealistic expectations by excluding people who have little or no prospect of being allocated accommodation.

Phase 1 of the Council's Homelessness Strategy recommended that consideration be given to the proposal to remove Band 5 from the current Housing Allocations Policy (HAP). Band 5 is made up of those households that have no housing need or do not meet Leicester City Requirements and therefore have little or no prospect of being allocated accommodation.

1.2 This report sets out the reasons for this proposal and suggests two ways of achieving this.

#### 1.3 Recommendation

1.4 It is recommended that Band 5 is removed and for those applicants over the age of 50 requiring sheltered accommodation to be moved up to Band 4. Option 2 is the preferred method to be used to implement this change.

### 2. Current Policy

2.1 All households who wish to be offered Council or Housing Association homes are listed on the Housing Register except where legislation or policy prohibit. (e.g. certain persons from abroad and in cases where there is unacceptable behaviour serious enough to make them unsuitable to be a tenant of the authority).

2.2 The Policy is used to both allocate the Council's own dwellings and to make nominations to housing associations.

2.3 Leicester City Council's current housing allocations scheme is a banding scheme where households are assessed and placed in 1 of 5 bands depending on their current housing circumstances.

2.4 Band 1 is for those households who have been assessed as having the highest priority for an allocation of accommodation, and then on a sliding scale of priority to Band 5 who are, those households who are considered to be adequately

housed with no specific housing need but have expressed a wish to move.

### 3. Statistics from the Housing Register

3.1 As at 29th October 2013 the number of households on the Housing Register were:

<b>BANDS</b>	<b>Total</b>
BAND 1	660 (7%)
BAND 2	1902 (19%)
BAND 3	2165 (21%)
BAND 4	1160 (12%)
BAND 5	4018 (41%)
<b>Total</b>	<b>9905</b>

3.2 Lettings from the Housing Register 2012 - 2013

<b>BANDS</b>	<b>Total</b>
BAND 1	169 (10%)
BAND 2	966 (57%)
BAND 3	330 (19%)
BAND 4	100 (6%)
BAND 5	129 (8%)
<b>Total</b>	<b>1694</b>

3.3 Households in Band 5 are extremely unlikely to be made an offer of accommodation given the level of housing need and demand for social housing.

For the financial year 2012 – 2013 just 129 (8%) of all empty properties were allocated to Band 5 households.

Out of the 129 lettings to Band 5 households:

- 57(44%) were to bungalows (56 were to 1 bed bungalows)
- 37 (29%) were to flats (36 were to 1 bed flats)
- 34 (26%) were to sheltered accommodation
- 1 (1%) was to a house

3.4 The age profile of lettings to Band 5 is significant to this report as the HAP previously gave priority to applicants who are 50 years or more in the allocation of age designated accommodation. This accommodation was allocated in the first instance to those over 60 regardless of the applicant's relative priority on the Housing Register.

The recent change to the HAP, implemented in October 2013 challenged this process and now a greater emphasis is placed upon housing need rather than age which means that Band 5 applicants (households with no housing need) are now only considered if there is no-one with a higher need in Bands 1 – 4.

Out of the 129 lettings for the period 2012 – 2013 to Band 5 households, 113 (88%) of the letting were to applicants over the age of 50, who were considered to be adequately housed. The recent policy change means in future these bungalows, flats and sheltered accommodation are more likely to be let to people in Bands 1 to 4.

#### **4. Proposed Changes to the Housing Allocations Policy**

##### Rationale for change

- Is it fair for applicants in Band 5 to continue to wait for housing with such little realistic prospect of being rehoused?
- We need to manage customer expectations by being open and transparent from the onset about applicant's prospects of being rehoused. Customers are currently required to provide a raft of proofs in order for their housing application to be fully registered even though they have little chance of receiving an offer.
- Band 5 applications currently account for 40% of the Housing Register. The administration and maintenance of over 4000 applications is time and resource intensive with little or no potential outcome of rehousing.
- Resources could be more effectively and efficiently deployed by focussing on those applications in housing need.
- As part of the Band 5 review, a benchmark exercise carried out to compare our current policy with that of our neighbouring authorities within the East Midlands showed that all the local authorities that we contacted had removed or no longer accepted households with no housing need onto their housing registers (see Appendix 1).
- The Housing Services Division is currently changing to a new IT provider with an implementation date of Autumn 2014. Essential changes to the business processes for applying to the Housing Register as part of the design and build of the new system are currently under review. It is essential as part of this review that we challenge the process and look to improve the efficiency and effectiveness both from a customer perspective and value for money.

#### **5. Options**

There are two options for how the removal of Band 5 could be implemented:

##### **5.1 Option 1**

## **To remove all Band 5 applications from the Housing Register**

### How will this be achieved?

- A communications strategy with all Band 5 applicants informing them that they will be removed from the Housing Register and the rationale for change.
- An introduction of a pre-qualification self-assessment to join the Housing Register as part of the online housing application process which will in effect not allow those with no housing need access to the Housing Register but will sign post to other housing options or services that can offer advice.
- Create a new Band 4 category for those applicants over the age of 50 who want to move into sheltered accommodation but are otherwise adequately housed. This is because sheltered accommodation has historically been in low demand from those in housing need.
- Those applicants who have no Leicester City Requirement (currently placed in Band 5) will also no longer be eligible to be registered for accommodation through Leicester HomeChoice.

or

### 5.2 Option 2

## **To retain the current list of Band 5 applicants but close the Housing Register to any further applications with no housing need**

### How will this be achieved?

- Currently applicants who do not respond to the annual review letter have their applications cancelled. On average 40% of applicants in Band 5 do not renew their housing application. Over time this process will continue to reduce the numbers currently in Band 5.
- An introduction of a pre-qualification self-assessment to join the Housing Register as part of the online housing application process which will in effect not allow those with no housing need access to the Housing Register but will sign post to other housing options or services that can offer advice.
- Create a new Band 4 category for those applicants over the age of 50 who want to move into sheltered accommodation but are otherwise adequately housed. This is because sheltered accommodation has

historically been in low demand from those in housing need.

- Those applicants who do not meet the Leicester City Requirement (currently placed in Band 5) will also no longer be eligible to register for accommodation through Leicester HomeChoice.

Option 2 would be the preference for the following reasons:

- Option 2 is considered to be the less radical option meaning less disruption to the customer.
- By removing applicants currently in Band 5 there will be a likelihood that many may appeal this decision. If 10% of the current numbers in Band 5 did this it would mean over 400 requests for review would need to be considered. This would be time and resource intensive.
- Those already registered in Band 5 require little or no maintenance of their application apart from an annual review or if their housing circumstances were to change.
- Over time the numbers in Band 5 would decrease due to the cancellation of applications through the annual review process.

## **6. Consultation**

6.1 As the proposal to change the Housing Allocations Policy is considered to be a major change there is a statutory requirement that we seek the views of Registered Social Housing Providers which have nomination agreements with the authority but it is also good practice that all those who may be affected by, or have an interest in, the way social housing is allocated are also consulted.

6.2 As part of the Homelessness Strategy consultation a question about the proposal to remove Band 5 from the Allocation Scheme was included. The full feedback is attached at Appendix 2. Overall 46% of those who responded were in favour of the proposal with only 20% against. The proposals made in this report have addressed some of the concerns raised in the feedback.

## **7. Financial, legal and other implications**

### **7.1 Financial implications – Pete Coles Principal Accountant (Housing)**

The report outlines changes to the allocations policy in the light of the agreed Homelessness Strategy and recommends closing the Housing Register to new applicants assessed as having no housing need (Band 5). Savings would result from staff no longer administering new Band 5 applications. Staff time spent administering the annual review process would reduce over time.

The preferred option is dependent on the introduction of the pre-qualification questionnaire. This is part of the new Northgate Housing System currently being built which is expected to go live next October. The cost implementing the questionnaire is part of the development of the Housing register module and is already included in the overall Northgate project cost.

The full impact of implementing option 2 would be a reduction of up to two full time Admin Support Officers which would be a saving of up to £35k.

**7.2 Legal Implications – Jeremy Rainbow, Senior Legal Officer**

There are no legal implications in relation to the matters detailed in the report.

**7.2 Equality Impact Assessment – Irene Kszyk, Corporate Equalities Lead**

The clarification of allocation criteria for the housing register based on housing need changes the basis for ensuring accessibility to the register, focusing on those with housing needs consistent with the proposed new criteria. Potential negative impacts of this action for future Band 5 applications are proposed to be mitigated in two ways: signposting applicants who do not meet the housing need criteria to other resources which enable them to address their particular housing situation, and adding a new Band 4 category based on age – ensuring that over 50 applicants can still be eligible for sheltered/age appropriate accommodation. These mitigating actions ensure that no protected characteristic (not meeting the new criteria for housing need) is adversely affected by the proposal.

**7.3 Climate Change and Carbon Reduction implications – Chloe Hardisty, Senior Environmental Consultant**

This report does not contain any significant climate change implications and therefore should not have a detrimental effect on the Council's climate change targets.

**8. Background information and other papers:**

- Leicester City Council Housing Allocations Policy
- Allocation of accommodation: guidance for local housing authorities in England, June 2012

**9. Summary of appendices:**

- Appendix 1 – Current policy of neighbouring authorities
- Appendix 2 – Feedback from Homelessness Strategy consultation
- Appendix 3 – Equality Impact Assessment

**10. Is this a private report (If so, please indicated the reasons and state why it is not in the public interest to be dealt with publicly)?**

No

**11. Is this a “key decision”?**

Yes. This is because these proposals affect all wards of the City



**Current Policy of Neighbouring Authorities**

<b>Housing Authority/Provider</b>	<b>Number of Bands in Scheme</b>	<b>Accept Households with no Housing Need?</b>
Nottingham City Council	5	No
Derby City Council	2	No
Northampton Borough Council	4	No
Peterborough City Council	4	No

### Feedback from the Homelessness Strategy Consultation on Removing Band 5

Agree with the proposal to remove Band 5	46%
Do not agree with the proposal	20%

#### Individual Responses

'Not clear if previous band 5s that move band 4 will just sit there with no more chance of getting accommodation'.

'Not clear enough – will previous band 5 applicants now have Housing Register closed top them'.

'Need to be on HomeChoice to access rent deposit schemes'.

'Need to be on the list to make it easier to update your circumstances which may move you into higher band'.

'Housing Register should be open to everyone/equal opportunities'.

'Don't know enough about band 5/system'.

'I feel that the banding system is unfair and does not priorities people needs or situations'.

'Proposal not fair on those in the lower housing register bands who still have needs but can't get access to housing'.

'This will affect the Local Connections 12 months rule'.

'What will happen to those old band 5 who can't get on the Housing Register – will they get any support?'

'Will lead to more homelessness'.

'May end up excluding vulnerable people (rough sleepers/migrants)'.

'New Arrivals Strategy Group support removal of band 5 but would like to see additional reference to gypsy and traveller site provision'.

## Equality Impact Assessment

### Proposal: Removal of Band 5 Applicants from the Housing Register

#### Impact on service users:

The introduction of the Localism Act 2011 enabled local councils to better manage their housing waiting list by giving them the power to determine which applicants do or do not qualify for an allocation of social housing. This makes it easier for authorities to manage unrealistic expectations by excluding people who have little or no prospect of being allocated accommodation.

The proposal to remove Band 5 applicants from the Housing Register will ensure that social housing is allocated to those in the greatest need.

The proposal will impact on circa 4000 (40%) of the applicants registered on the Housing Register who are not in housing need.

There are no protected characteristics that would be adversely affected by this proposal. The only protected characteristic most relevant to the removal of Band 5 is age. However it is proposed that we give a higher banding priority (Band 4) to people over the age of 50 who wish to move to sheltered accommodation. This would be a positive impact and enable people over the age of 50 to continue to receive offers of sheltered accommodation.

#### Equality Profile of Band 5

By Ethnic Origin	Total (4018)	%
Asian	1041	25.9%
Black	372	9.3%
Chinese	17	0.4%
Mixed/Dual Heritage	92	2.3%
White	1531	38.1%
Other	20	0.5%
Unknown	945	23.5%
By Gender		
Female	2170	54.0%
Male	1848	46.0%
By Age		
Under 18	0	0.0%
19 to 24	372	9.3%
25 to 44	2002	49.8%
45 to 54	695	17.3%
55 to 74	802	20.0%
75 & over	147	3.7%

<b>By Disability</b>		
Yes	327	8.1%
No	2046	50.9%
Unknown	1645	40.9%
<b>By Sexuality</b>		
Bisexual	78	1.9%
Gay (Female/Lesbian)	13	0.3%
Gay (Male)	12	0.3%
Heterosexual/Straight	1875	46.7%
Other	69	1.7%
Prefer Not to Say	313	7.8%
Unknown	1658	41.3%
<b>By Religion</b>		
Atheist	66	1.6%
Bahai	1	0.0%
Buddhist	8	0.2%
Christian	763	19.0%
Hindu	0	0.0%
Jain	3	0.1%
Jewish	1	0.0%
Muslim	540	13.4%
No Religion	471	11.7%
Other	86	2.1%
Prefer Not to Say	176	4.4%
Sikh	0	0.0%
Unknown	1903	47.4%