

Committee/Meeting: Cabinet	Date: 10 th April 2013	Classification: Unrestricted	Report No: CAB 93/123
Report of: Corporate Director, Aman Dalvi Originating officer(s) Colin Cormack - Service Head, Housing Options		Title: The Allocations Scheme 2013 and Lettings Plan Wards Affected: All	

Lead Member	Councillor Rabina Khan
Community Plan Theme	A Great Place To Live
Strategic Priority	Providing quality affordable housing. Improving and maintaining the quality of housing, including maximising energy efficiency. Enabling people to live independently

1. **SUMMARY**

- 1.1 The 2010 Lettings Policy has been in operation for a little over two years. In informing cabinet of its headline successful outcomes, this report proposes a number of amendments to the Policy. In part, these are based on consideration of the Policy's operational application since 2010 but they also take advantage of the Localism Act's relaxation of certain legislative constraints that previously informed how, at the time, the 2010 Lettings Policy needed to be framed.

2. **DECISIONS REQUIRED**

The Mayor in Cabinet is recommended to:-

- 2.1 Agree the Allocations Scheme 2013 set out in Appendix 1.
- 2.2 Agree the priority target groups set out in paragraph 11.3 of the report.
- 2.3 Consider the impact assessment in Appendix 2.

3. **REASONS FOR THE DECISIONS**

- 3.1 As an overarching observation, the 2010 Lettings Policy has successfully delivered its core goal of being a simple and transparent mechanism for helping those most in housing need. Its development though was influenced by legislative constraints that, only recently, have been relaxed by the Localism Act.

3.2 There are opportunities then to amend the Lettings Policy to take advantage of this relaxation and, at the same time, officers invite adoption of a number of other policy and procedural amendments that, having been identified through consultation with residents and stakeholders, come together as a proposed Allocations Scheme 2013.

4. **ALTERNATIVE OPTIONS**

4.1 Some fifteen Policy amendments are proposed and this report recommends the adoption of all of these. The alternative is to either not amend the Policy or to adopt some, but not necessarily all, of the recommended amendments.

5. **BACKGROUND**

5.1 In March 2010, Cabinet agreed to the adoption of a 2010 Lettings Policy, a policy that had been developed and evolved over the preceding months in response to concerns that the then existing Lettings Policy lacked transparency, defied ease of understanding and failed to give sufficient priority to some of the most pressing of housing needs groups, notably overcrowded households.

5.2 The subject of extensive consultation with residents and stakeholders, the 2010 Lettings Policy simplified the prioritisation process by introducing 4 x distinct Priority Bands, 'promoted' the status of overcrowded households to match that of homeless households and brought renewed emphasis to length of time waiting.

5.3 Having secured the endorsement of Cabinet, officers set to the significant task of moving from the old to the new policy, a programme of work streams that, in particular, demanded major revisions to IT systems both in the Council and across those Registered Providers as members of the Common Housing Register. The culmination of this work saw the 2010 Lettings Policy "Go-Live" in October 2010.

5.4 To complement the adoption of the 2010 Lettings Policy, the commitment was given to present to members an Annual Lettings Plan, this being a mechanism designed to analyse the consequences of the new Policy and to permit and effect changes to it if:-

- i) such consequences were adverse or contrary to expectations
- ii) additional influences or demands dictated such a revision

5.5 It quickly became apparent that the 2010 Policy was delivering to and, indeed, exceeding expectations. Within this, it was anticipated that, with overcrowding being the trigger for much of the homeless presentations, prioritising overcrowded families would serve ultimately to prevent

homelessness at its source. However, there was a readiness to acknowledge that the clients' appreciation of this might take some while, with the potential then for a period where temporary accommodation numbers might increase.

5.6 In the event, this did not materialise [see below], and this is considered as a testament to how the 2010 Policy was appropriately and successfully prioritising those most in housing need.

5.7 This, the first Annual Lettings Plan, had every prospect then of merely needing to present some modest changes, principally around the operation of the Policy as well as a number of key efficiency initiatives that, if they are to be introduced, will require formal adoption.

5.8 However, the Localism Act makes specific reference to what might more appropriately be described as 'Allocations Schemes' and the delay in presenting this report to Members has been occasioned to allow for the passage of the Act through Parliament in order that its key influences can be considered early as part of the Lettings Plan process.

6. **BODY OF REPORT**

6.1 Deciding just who should benefit from the allocation of a social housing tenancy is, by its very nature, complicated. The exercise to consider one person's entitlement over another, if it is to avoid the risks associated with subjective influences, needs to rely on simple rules that are fairly and consistently applied.

6.2 The previous Lettings policy claimed to do that, suggesting that an available property would be considered in a cascading exercise of considering the highest priority first from the total of competing bidders. In practice, significant numbers of properties, whilst being the subject of the bidding process, were then only considered for certain groups of applicants. Where a property benefits from being on the ground floor and of having had physical adaptations, limiting consideration to urgent health cases is appropriate. However, this practice was also extended to routinely consider bids only from groups such as homeless households (to achieve the annual lets quota), transferring tenants or other priority groups.

6.3 There was nothing untoward in this but the consequence for residents was of confusion and, from this, suspicion that the system was inequitable. People with a highly placed bid one week found subsequent weeks' bids featuring outside of any prospect of an offer. Indeed, perhaps the biggest obstacle to clarity and credibility was the Community Group 3 category for it contained two distinct groups; an upper strata of those in housing need (who had prospects for an offer) and a lower strata of not in need households (with little or no prospects).

6.4 There was no obvious 'public' separation of the two groups and this led to disappointment and suspicion when one household from Community Group

3 succeeded in securing an offer despite waiting less time than another Community Group 3 household.

6.5 The 2010 Lettings Policy introduced clear and unambiguous Priority Bands and a fundamental commitment to consider the bidders for any advertised property strictly in order of those priority bands and, for separation within the band itself, by date order. To remind, those Priority Bands are:-

Band 1 – High Priority: Group A	
Emergencies	<ul style="list-style-type: none"> Urgent housing need combined with serious welfare, medical, safety or emergency factors
Ground Floor medical	<ul style="list-style-type: none"> Assessed for ground floor property for medical/disability reasons or Cat A/B wheelchair
Priority Decants	<ul style="list-style-type: none"> CHR Tenants whose home is due to be demolished in less than one year or tenants who need a 4 bed or a wheelchair accessible property
Under Occupiers	<ul style="list-style-type: none"> Social Housing Tenants who want to move to a smaller property.
Band 1 – High Priority: Group B	
Priority Medical	<ul style="list-style-type: none"> Serious health problem that is severely affected by housing circumstances
Priority Social	<ul style="list-style-type: none"> Urgent need to move on social, safety or Welfare grounds
Decants	<ul style="list-style-type: none"> CHR Tenants whose home is to be demolished in more than one year
Priority Groups	<ul style="list-style-type: none"> Groups given priority in the community's interest or because of their circumstances
Band 2 - Priority Band	
Overcrowded and Homeless applicants	<ul style="list-style-type: none"> Overcrowded tenants of CHR partner landlords Housing applicants who are overcrowded Homeless households
Band 3 - General Band	
Applicants who are not overcrowded	<ul style="list-style-type: none"> Tenants of CHR partner landlords who are not overcrowded or other housing need Housing applicants who are not overcrowded or other housing need
Band 4 - Reserve Band	
Applicants who do not qualify of Bands 1, 2, or 3	<ul style="list-style-type: none"> Applicants who do not have a local connection Property Owners & Leaseholders Tenants of non-CHR partners

6.6 The success of the 2010 Lettings Policy though is tangible and it is worthwhile then comparing some key statistical data from the application of the Old and the 2010 Lettings Policies, thus:-

	Old Policy – 2009/10 [last full year]	2010 Policy – 2011/12 [1 st full year]
Overcrowded Lets	1,054 [40%]	1,642 [61%]
Homeless Lets	943 [36%]	357 [13%]
Homeless Temporary Accommodation	1,883	1,858

7. Building on the Successes

7.1 As referred to in Paragraph 5.4 above, the capacity to present an Annual Lettings Plan was introduced to allow for any necessary Policy revisions, particularly in response to any unanticipated or adverse outcomes as well as any failure to address key objectives, especially around tackling overcrowding as the main source of homelessness.

7.2 However, it is clear from the implementation of the 2010 Lettings Policy since its go-live date that no fundamental revisions to the prioritisation process are required. Accordingly, this report presents key recommendations to cabinet in order to :-

- Explore and consider for adoption some of the opportunities as are available by the Localism Act's relaxation of legislative constraints that previously dictated elements of the 2010 Lettings Policy e.g. the requirement to accept onto the Housing Register people with no local connection, and
- From that, to also consider a number of policy and operational changes that have been identified as adding further value to the allocation mechanisms, making these "smarter" by either introducing efficiencies in processes or by making the best use of social housing stock. Each of these is introduced as specific themes.

7.3 Before debating each theme however, the following summarises the Localism Act's provisions as they relate to social housing allocations reform in order to underpin then the recommendations for the policy revisions proposed.

7.4 The Act gives much greater freedom to local authorities to set their Allocations Schemes, albeit whilst still requiring that certain groups of people should be given "reasonable preference" (overcrowded, homeless, medical, social, etc.).

7.5 For example, Allocations Schemes can now take into account :-

- A person's limited prospect of gaining a social tenancy, even empowering local authorities to prevent those not in housing need from being on the housing register.

- The financial resources available to the person with a view to limiting their access to the waiting list.
- Any behaviour by the person or a member of their household that affects their suitability to be a tenant
- The extent or otherwise of any local connection, removing the current obligation to open the Housing Register to everyone, even those with no local connection

Following consultation on the above proposals, The Government published its statutory guidance on the allocation of accommodation in June 2012

7.6 The Housing Options Service therefore progressed through a series of consultative programmes with key stakeholders, especially at member level and with partners from the Common Housing Register to help identify areas where, either operationally or procedurally, amendments to the 2010 Lettings Policy could be considered in an exercise to develop the 2013 Allocations Scheme.

7.7 Relying on that work, a schedule of policy revisions and service efficiencies was drawn up and this was used to inform a comprehensive programme of consultation that was undertaken during October and November 2012. That engagement included :-

- on-line resident surveys as advertised widely through general and specialist local media, and direct mail shots to a proportion of new applicants
- Direct targeting of all households on the waiting and transfer lists, including non-borough residents, via the Homeseekers Web Page
- resident drop-in sessions
- group and individual engagement with partner landlords
- partners landlords themselves engaging with their own residents
- direct non-partner landlord engagement

A summary of the consultative work is captured at Appendix 3

8. **Lettings: Revisions to policy and operational practice**

8.1 Detailed in the paragraphs below are the potential revisions to operational practice or policy and, where appropriate, a summary of residents' views. From this, suggestions as to how the 2013 Allocations Scheme could be framed are made by identifying these as separate amendments to the 2010 Lettings Policy [Appendix 1]. They are though detailed below as distinct themes.

Joining the Housing List

8.2 The Application Process

- 8.2.1 The Localism Act and the Allocations Code of Guidance invite the potential for Councils to deny access to its Housing Register any person who is not likely to succeed in their pursuit of a social housing tenancy. There is merit in this. Primarily, it avoids the raising of expectations and, instead, gives such households an immediate awareness that they need to adopt other measures to satisfy their housing need. In addition, potentially significant business costs associated with the administration of registering, reviewing and updating of such applications can be avoided.
- 8.2.2 Practically though, it is fairly anticipated that there could well be similar or greater costs associated with explaining any decision not to accept an application, with doubtless a costly appeal mechanism needed to be employed.
- 8.2.3 For this reason, it is not proposed to recommend any mechanism that seeks to deny access to the housing register any household solely because they lack a housing priority. Rather, and in appreciation still of the merit of those not in housing need being made aware of their very limited prospects for a social housing tenancy, the proposal is that Bands 1 & 2 will be deemed the “Housing Need” Bands.
- 8.2.4 Those households not in housing need are to be registered in Bands below 1 and 2. Currently, there is reliance on a total of four bands, the fourth being employed to register households with no local connection, tenants of partner landlords and property owners/leaseholders. This report makes separate recommendations on how, in future, all three of these categories should be dealt with, to the extent that Band 4 would no longer be required. The remaining Band 3 would be deemed the “Housing Options” Band.
- 8.2.5 Bands 1 & 2, being households in housing need, are to benefit from the Lettings Service’s refocus of resources, giving capacity for a tenancy attainment function to assist urgent cases, vulnerable households, under-occupiers, over crowded households, those who in particular are more vulnerable to the consequences of Welfare Reform and those whose individual housing needs demand often bespoke solutions.
- 8.2.6 Examples include targeting those households not taking advantage of their chronological progression, under-occupiers and those disabled households who require specialist housing that often dictates a design and build approach.
- 8.2.7 Resourcing this focussed tenancy attainment function can be achieved within existing resources by adopting a lighter touch approach to households in Band 3. The norm for applicants in this Band will be that the Service will not initiate contact. For example, the regular reviewing of Band 1 & 2 cases (to establish any change in circumstances) will be substituted with the

expectation that Band 3 households will need to inform any such changes. Enquiries on housing prospects, whilst receiving bespoke information for Bands 1 & 2, will involve Band 3 households being directed towards self-help opportunities as facilitated by the wider services available from Housing Options.

8.2.8 Likewise, responses to information requests on bidding successes e.g. “where did I come in my last bid” will be achieved directly through IT enhancements that will include automatic bid position as each bid is lodged and property outcome [the priority banding and registration date of the successful bidder] at the end of the bid cycle, a mechanism just as useful of course for those households in Bands 1 and 2.

8.3 Local Connection

8.3.1 There are, principally, four elements to this. The first relates to pre-Localism Act statutory requirements that any household, regardless of where it currently resided, could join any council’s housing register. Such households, with no local connection at all to Tower Hamlets, are currently placed in Band 4. Their prospect of being offered a social housing tenancy is all but nil. Despite this, there is an administrative cost in maintaining such applications and, in addition, the size of the council’s housing register is distorted and not fully reflective of demand. For this reason, the recommendation is to take the opportunity being made available by the Localism Act and generally deny access to our housing any household with no local connection. There will however be safeguards to this as confirmed at Paragraph 8.3.13 below, including ‘exceptional grounds’ at v).

8.3.2 Aside from that specific category of household, the current policy does entertain applications from persons who satisfy the current “Local connection” criteria. Currently, those criteria are any one of the following:-

- i. has lived in the borough for 6 months in the last 12 months or 3 years in the last 5 years (not necessarily continuously)
- ii. has close relatives in the borough (who have themselves lived in the borough for a minimum of 5 years)
- iii. has permanent employment in the borough (regardless of how long that employment has been)

8.3.3 With demand ever increasing, the growing realisation was of needing to give priority to local people for homes in the borough and that meant asking residents if they wished the adoption of measures designed to make the “Local Connection” definition stricter. In this regard, Cabinet is reminded that over 2,000 households on the Council’s Housing Register live outside of the borough and a further 700 currently live in the borough but have failed to provide sufficient proof of residence to establish a “Local Connection” under existing definition. Resident consultation was therefore conducted on all three

definitions and the overwhelming view was that the criteria needed to be much stricter.

- 8.3.4 In considering local connection by length of time someone has themselves lived in the borough, there has been very little appetite to keep to the existing “6 months in the last 12 months or 3 years in the last 5 years” with a 6 : 1 ratio seeking change. Asked whether that change should be for a continuous period of, respectively, 3, 5 or 7 years, the favoured option has been for the 3-year proposal. That is recognised as being less strict than many other London Boroughs particularly those in the West London Partnership who are looking at setting limits of 5 years residency.
- 8.3.5 However, officers are nonetheless minded to propose this amendment to the definition of the Local Connection, appreciating that living in any area for 3 years continuously is not at odds with inheriting a perception that one is “local” to that area. It is therefore proposed that the Local Connection definition as it pertains to the length of time a household has itself lived in the borough be revised so that, for the 2013 Allocations Scheme, it will read “*must have lived continuously in the borough for 3 years at the time of registration and need to remain resident in the borough to preserve that registration*”. Within this expectation though, safeguarding mechanisms will be employed where an individual household falls within one of the reasonable preference groups but has not yet accrued the necessary residential qualification. These mechanisms will include the capacity to still register an application if, upon review, the decision to otherwise exclude is deemed inappropriate. Examples will include significant social or medical reasons where application of a period of occupancy criteria would be deemed unreasonable or disproportionate.
- 8.3.6 That aspect of Local Connection by way of relatives living in the borough also encouraged the majority view that this definition needs to be stricter. A number of options were presented for consideration from “no reliance for relatives” to requiring those relatives themselves to have been resident for varying periods (respectively 10, 15 and 20 years). No one option featured significantly over any other, in the context anyway of there being only a modest response to the consultation exercise (less than 2% of the total on the Housing Register).
- 8.3.7 For that reason, and in the context this is about households who themselves do not live in the borough and have made a home for themselves elsewhere, the proposal before Cabinet is to generally not accept applications from non-borough residents who cite as their reason for wishing to join the fact that they have relatives in the borough. That said, it is recognised that there might again be other over-riding imperatives.
- 8.3.8 Examples are likely to include the care of close relatives who are dependents or other extenuating reasons. If then the Council is satisfied that it is in its own best interests to assist an out of borough resident, for example by avoiding the otherwise cost of providing social care direct, or, upon review, other extenuating reasons are accepted, it will recognise a Local Connection via that close relative and therefore access to the Housing Register.

- 8.3.9 The final opportunity to currently derive a Local Connection is by way of having permanent employment in the borough. The majority view is that this needs to be removed as, currently, this allows non-residents to first secure employment locally and then seek housing. Again, appreciating that this affects households who do not live in the borough and have made a home for themselves elsewhere, Cabinet is asked to agree that where a person is employed should not be permitted to give them entitlement to claim a Local Connection.
- 8.3.10 As with the residential qualification though, safeguarding mechanisms will again be available where an individual household falls within one of the reasonable preference groups and seeks access to the housing register on the grounds of having permanent employment within the borough. These mechanisms will include the capacity to still register an application if, upon review, the decision to otherwise exclude is deemed disproportionate
- 8.3.11 Amendments to the Local connection criteria will only be applied to households who are currently living out of the borough or who have only lived in the borough for so short a time that they have failed to establish a local connection already. It will not be applied to households who have achieved the current six months in twelve, or three years in five expectations. This also means that those households to whom a statutory homeless duty has been accepted will likewise not be affected by the changes.
- 8.3.12 Moreover, in introducing these amendments, contact will be made with all affected households and, where it is recorded that each comes within one of the reasonable preference groups, they will be invited to make representations to permit the council to consider continuation of the registration if this is deemed appropriate and proportionate. Furthermore, any negative decisions will be the subject of an independent appeal mechanism.
- 8.3.13 However, it is appreciated that, for the purposes of assessing a homeless duty, the local connection criteria as it pertains to Part 7 of the Housing Act 1996 still relies on the six months in twelve/three years in five expectation. In order to prevent the practice of using a homeless application to circumvent the new local connection criteria, any newly accepted homeless households will not be eligible to join the Housing register until said household has satisfied that new local connection criteria, for the purposes of which, "living for three years continuously in the borough" includes occupying accommodation provided by the council in the discharge of its homeless duty even if outside of the borough's boundaries. Again though, this will be the subject of a review mechanism to gauge the merit of still registering such an application if, upon review, the decision to otherwise exclude is deemed either inappropriate or disproportionate
- 8.3.14 Aside from the wider safeguards described above, it is important to preserve the ability to apply some specific and fundamental exceptions. These are defined as:-
- i) As per the new regulatory requirement, for Armed Forces personnel

- ii) Any application pursuant to a local or national mobility scheme
- iii) Sub-Regional, or Regional, nominations
- iv) Other recognised reciprocal arrangements
- v) Other exceptional reasons, or where it is in the council's interest to do so, subject to agreement of the Service Head/Lettings Manager

8.4 Anti-Social Behaviour

8.4.1 A council or housing association tenancy is an important public asset and for that reason, residents' views were sought on the potential for not allowing people with a history of bad behaviour to join our Housing Register. To assist, the consultation process reminded that the aspects of bad behaviour being considered included perpetrators of domestic violence, racial harassment and hate crimes and people who have lost their tenancy because of serious breaches of their tenancy.

8.4.2 The consultation results were, not unsurprisingly, overwhelmingly in favour of some form of sanction. The single largest view was for a permanent ban but a ban for any one of a number of term of years (3, 5 or 7) was in the majority and, from that, the policy amendment proposal before Cabinet is to introduce a temporary 3-year ban on joining the housing register for any person with a history of anti-social behaviour as defined in Paragraph 8.4.1 above.

8.4.3 In practice then, any applicant, partner or other member of the household who has been convicted of, or had legal action taken against them, for violence, racial harassment, threatening behaviour, any physical or verbal abuse towards staff and residents in the applicant's neighbourhood will be excluded until they are able to demonstrate that, for a period of not less than three years, there has been no repeat occurrence although earlier reviews may be considered in exceptional circumstances.

8.4.4 An important consideration relates to persons whose mental health may have been a contributory factor in the incidents. As advised in the revised policy at Appendix 1, an applicant who suffers from a mental ill health shall not be ineligible if the conduct in question was directly attributable to said mental ill health, the council usually relying on medical evidence to assist in determining this aspect.

8.5 Persons earning a high salary

8.5.1 As part of the consultative exercise, the value of mixed communities was recognised and it was reminded that social housing should not just be for those people who, for whatever reason, are the most deprived. However, it was appreciated that people who have high earnings have many other housing options available to them – a private sector tenancy, maybe shared ownership or even home ownership.

8.5.2 Based on that premise, residents were asked whether income thresholds should be introduced and, if so, at what level. There was a fivefold call for

thresholds, with the significant majority suggesting a limit of £60k per annum. However, it is questioned whether this limit, reflecting no doubt the low earnings of so many of our residents, is nonetheless too low to be appropriate in the context of such issues as the cost of home ownership and even shared ownership in the borough.

- 8.5.3 Further influenced by the Affordable Rent regime, the amendment to the lettings Policy before Cabinet is that a joint-income limit of £85K per annum be introduced, this figure increasing annually by the rate of RPI. This figure will not be applied retrospectively but, instead, introduced to influence eligibility considerations for all new applications.

8.6 People who already own a property

- 8.6.1 Until the law changed, the Council was required to open the Housing Register to everyone. With the new ability to adapt our policies and procedures to suit local needs, the consultation exercise sought views on whether, in adopting a general rule to preclude home owners from joining the Housing List, there could be some for flexibility in some circumstances.

- 8.6.2 The consensus was to accept the merit of appreciating exceptional circumstances where home owners, if unable to realise their assets to source their own housing solution, might be given access to the Council's Housing list, most likely by way of a fixed term tenancy, as a Management Priority award especially where:-

- An elderly person needs sheltered accommodation – likely this will place the application in Band 3
- A disabled person's home is unsuitable but it cannot be adapted – likely this will place the application in Band 1B (unless an 'Emergency')
- There are other emergency medical reason to move – likely this will also place the application in Band 1B (unless an 'Emergency')

And the proposal is therefore that the 2013 Allocations Scheme will reflect the position that home owners will not normally be permitted to join the Housing Register save in the three exceptional circumstances above.

- 8.6.3 The 2013 Allocations Scheme and its complementary operational procedures will set out the mechanisms to be employed to assess an individual's inability to attend to their housing needs by asset realisation

8.7 Other Exceptional Circumstances

- 8.7.1 The above provisions attempt to capture when, typically, any class of household may or may not be accepted on the Housing Register. In so doing, these reflect on broad categorisation around reasonable preference and the extent or otherwise of local connection.

8.7.2 In addition to this, it is considered appropriate to preserve the capacity to either:-

- i) accept onto the housing register, or
- ii) refuse to register

individual applications. Although not exhaustive, examples of the former could include specific social or other imperatives, whilst examples of the latter might embrace contrived applications or a deliberate worsening of circumstances. Acceptance or rejection decisions may be time limited and all decisions shall be in writing and subject to independent review by an officer senior to the decision maker.

Bidding for properties and managing offers and refusals

8.8 Bid Limits

8.8.1 When, in 2009/10, the 2010 Lettings Policy was in its draft stage, consultation with residents came out overwhelmingly in favour of limiting bids, subject to specific provision being made to permit multiple bids on new developments. In the event, this opportunity was not progressed in the adoption of the 2010 policy.

8.8.2 It has since then been appreciated that this was an opportunity missed. All the partner stakeholders voice the view that a limit on the number of bids a resident can lodge is vital if inefficiencies are to be avoided. For example, in the 12 months to 30th September 2012, nearly 2¼ million bids were submitted for just 3,877 advertised properties.

8.8.3 Unlimited bidding tangibly fosters an environment where bids are lodged regardless of any intention to consider accepting the property in question. Indeed, on average last year, each advertised property was viewed and rejected four times before finally being accepted.

8.8.4 Anecdotally, it is suggested that those households who have achieved the top of the chronological queue know they have reached this position and use unlimited bidding to the disadvantage of those households immediately beneath them. Aside then from the significant administrative costs associated with so many bids, the whole bidding concept can be brought into disrepute, especially to those “always coming second” households.

8.8.5 Operationally, mitigations for unlimited bidding and subsequent refusals, which are to be discussed below, sees landlords having to introduce practices such as multiple viewings. These can raise expectations of a possible offer and, if then an offer does not materialise, the potential for resident dissatisfaction is high.

8.8.6 Aside from the strong views of partner landlords, including Tower Hamlets Homes, that bids limits should be introduced, consultation was also had with

residents. Collectively, when asked whether bids should be limited and penalties introduced if offers are refused, the ratio of 60:40 in favour has been realised. Within that outcome though, solely limiting bids was not popular.

- 8.8.7 That said, the consultation missed the opportunity of reminding of the intention to respond to requests for facilities on the Homeseekers bidding web site such as “real time” information on the lodged bid’s actual position. This is a particularly significant enhancement as it will permit applicants to appreciate obviously unsuccessful bids and allow these to be withdrawn and placed elsewhere.
- 8.8.8 A combination of options around the maximum number of bids permissible in any one bidding cycle has resulted in preference being expressed for three bids. Although being an operational rather than a policy imperative, the 2013 Allocations Scheme at Appendix 1 reflects this proposal, complementing the same with details around how a single bid will count in cases of multiple property availability in new developments; the “group bid” process e.g. *“all 2-bedroom 2nd floor properties with identical attributes in the same block”*.

8.9 Managing Refusals

- 8.9.1 Aside from the advice that, on average last year, each advertised property was viewed and rejected four times before finally being accepted, the consultation process also took the opportunity to inform that there are many examples of people who have bid for, but then refuse, upwards of 20 or more properties
- 8.9.2 This slows up how quickly we can let a property and, thus, frustrates people who are genuinely interested in those vacancies from getting a speedy offer. In addition, it occasions a differing level of service to, amongst others, homeless households who, with the statutory obligation to accept the first offer (subject to a review), have upwards of a 9 in 10 acceptance rate.
- 8.9.3 For these reasons, the consultation results were significantly in favour of introducing penalties and the single highest response was that a permanent ban on bidding be applied upon refusal of the third offer. Collectively though, the proportional representations for various temporary ban periods covering 12, 24 and 60 months was higher than the “permanent ban” lobby.
- 8.9.4 Accordingly, this report recommends a 12-month demotion to the bottom of the priority group be employed upon refusal of the third offer, with this penalty being repeated for any subsequent offer refusal. On the expiry of the 12-month period, if no other offers have been rejected in the intervening period, the original priority date is then restored.
- 8.9.5 Offer refusals include circumstances such as unreasonably failing to attend a viewing and the above provisions are in addition to the Policy imperatives that reflect first offer acceptances for any Band 1B Priority Target Groups

and management cases, and possible down-grading of priority for Emergency Medical applications.

- 8.9.6 This is possibly a little more tolerant than many London authorities; penalties are known to be applied after one or two refusals. However, it is recognised that harsher sanctions can be applied in the future if the proposed mechanism does not alter refusal rates.
- 8.9.7 One important facet in considering refusals is the view that better advertisements would minimise refusals of properties. It has been suggested that there is significant reliance on the property details in East End Life, the contention being that, whilst the web-pages do hold more information on each property, many clients might not be “computer literate”.
- 8.9.8 The truth is however that over 93% of bids are made on-line. Work will though be done within space limitations to see what can be achieved to both improve print-copy information and signpost readers to consider the web information ahead of placing their bid.

Additional Proposals

8.10 Bidding for certain property sizes

- 8.10.1 The current Lettings Policy recognises the value of giving accommodation of sufficient size to achieve the separation of sexes. For example, a couple with two children of opposite sex will be expected to occupy a 3-bedroom property whereas a couple with two children of the same sex will only be entitled to a 2-bedroom property.
- 8.10.2 The Coalition Government’s Welfare Reform proposals include provisions that influence this by applying a percentage reduction in the amount of Housing Benefit payable if, in a formula set by the Government, a household has more bedrooms than it needs. For the purpose of this definition of “more bedrooms than needed” it is expected that children of the opposite sex who are under the age of ten years will be expected to share a bedroom.
- 8.10.3 The council considers this to be short-sighted, it failing to appreciate that children age and, all too soon, such room sharing will lead to overcrowding. Nonetheless, appreciating the financial impact on families, it is the proposal to amend the Lettings Policy to permit families to bid for one bedroom less than their current policy entitlement if, otherwise, they would be vulnerable to impact from the “Bedroom Tax”. If and when a family successfully moves into a new home, any subsequent transfer application will start with a new date for that application.

8.11 Keyworkers

- 8.11.1 In 2002, the Council introduced a “Key Worker” scheme which was aimed at providing housing for certain professions, like teaching and nursing, who otherwise were having difficulty getting accommodation in the borough.

8.11.2 However, in the intervening years, the surge in demand for housing does call into question the principle of setting aside upwards of 50 properties per annum to be reserved for people who, aside from likely being able to access other housing options, are generally recognised as being less in need than many other households.

8.11.3 Appreciating the existence of other initiatives for key workers e.g. HomeBuy, as well as opportunities other than social renting that are actively referred to in housing options discussions, the potential to cease the Key Worker scheme was included in the consultation. The strength of opinion in support of such cessation saw a response rate in excess of 3 : 1 in favour and, for this reason, this report includes the recommendation that the Key Worker Scheme cease. This decision, if agreed, will be applied forthwith, those individuals registered on the scheme being contacted and apprised of their wider housing options. This contact will include inviting individuals to make representations about the decision in order for the council to consider and reflect upon any undue consequences of hardship.

8.12 Tenants of Non-Partner Landlords

8.12.1 The current Lettings Policy, in recognising that non-partner social landlords are not required to afford access to their properties, currently places those of their tenants who are seeking a transfer in Band 4. In so doing, no regard is had to the individual's overcrowded circumstances if it were, the respective application would be in the relevant higher Band.

8.12.2 It is considered that this failure to recognise an individual's housing need by awarding them due and reasonable preference renders the council vulnerable to challenge to such an extent as to merit recommending amending the Lettings policy to permit non-partner landlord tenants equal access to the Priority preferences as their circumstances dictate.

8.12.3 This proposal, if adopted, lifts such applications out of Band 4 into one of the other higher bands and, as advised above, as this means no applicable categories for Band 4, this Band is removed.

8.13 Medical Appeal Mechanism

8.13.1 The current mechanism relies on a 3-stage process of assessment, Stage 1 appeal and, as appropriate, a 2nd Stage appeal. This is a time consuming and costly process and, significantly, delays the giving a key decisions to applicants. Analysis of the processing times of appeals lodged in 2011/12 saw these average 6 months.

8.13.2 Moreover, during this period, only 5 cases were successful out of the original 1,512 medical applications at the 2nd Stage. The recommendation then is to employ mechanisms similar to others that reflect the pursuit of housing priority, not least homeless applications and management priority

where, following an assessment, a single (often statutory) appeal process is afforded.

8.13.3 With the introduction of this revised mechanism and as appreciated by the Impact assessment, the 5 x successful cases will be examined to understand why they were not awarded priority at the initial assessment and the findings will be used to revise procedures and practices as may be necessary to ensure such cases are properly assessed first time.

8.14 **Implementation**

8.14.1 Implementation of any adopted revisions will invariably require varying degrees of amendments to the IT systems associated with Lettings process. Experience during the last, albeit major, exercise to revise the Allocation Scheme in 2010 suggests a minimum 3-6 month period and, in appreciation of that, much ground work has already been done, not least to be able to bring in the “bidding for smaller” capacity quickly.

8.14.2 This period will be used to mount a comprehensive programme of information and advice to residents about all the changes; what they mean, what are their benefits and how best they can use these to maximise their own housing opportunities.

9. **Summary of the Policy and Operational provisions proposed**

- I. Bands 1 & 2 will be defined as the “Housing Needs” Bands, Band 3 as the “Housing Options” Band.
- II. Subject to other policy influences, Persons deemed not in housing need will still be permitted to join the Housing Register
- III. In order to join the Housing Register, a person must be able to satisfy the Local Connection criterion.
- IV. That criterion is defined as having lived continuously in the Borough for a period of no less than three years.
- V. Local connection will not be accrued by virtue of either having relatives who live in the borough or by having permanent employment in the borough
- VI. An exception to V. above is:-
 - a) As per the new regulatory requirement, for Armed Forces personnel
 - b) Any application pursuant to a local or national mobility scheme
 - c) Sub-Regional, or Regional, nominations
 - d) Other recognised reciprocal arrangements

- e) Other exceptional reasons, or where it is in the council's interest to do so, subject to agreement of the relevant Service Head/Lettings Manager
- VII. Persons who have been established as perpetrators of ASB will be precluded from joining the Single Housing Register for a period of 3 years from eviction, service of NOSP, conviction, etc.
- VIII. Persons who have a joint annual income in excess of £85,000 will likewise not be permitted to join the Housing Register, this figure increasing annually at the rate of RPI. As confirmed in Paragraph 8.5.3, this figure will not be applied retrospectively but, instead, introduced to influence eligibility considerations only for all new applications.
- IX. Homeowners will likewise be denied the opportunity to join the Housing Register save in exceptional circumstances of housing need and where they are unable to realise their assets in order to themselves address that housing need
- X. A general capacity to either accept or reject individual persons outside of the wider provisions of the Allocations Scheme, with the possibility of time-limited decisions that anyway would be subject to independent review by an officer senior to the original decision maker.
- XI. Participants in the Choice based lettings mechanism will be permitted a maximum of three bids per weekly bidding cycle. There will however be specific arrangement around multiple-bids for new developments when, as described in Paragraph 8.8.8 above, a single bid will count in cases of multiple property availability in new developments, one bid for all properties with the same attributes, including size and floor level.
- XII. Persons who refuse offers of accommodation will be subject to a temporary 12-month demotion to the bottom of their respective band upon refusal of a 3rd or any subsequent offer
- XIII. Households with children under the age of ten years and of opposite sex will be permitted to bid for properties that permit those children to share a bedroom subject to this being one bedroom less than they would otherwise be entitled to under the 2010 Lettings policy and subject to the arrangement not creating statutory overcrowding.
- XIV. The Key work scheme is to cease
- XV. Tenants on non-partner landlords will be given equal reasonable preference by having their respective housing needs recognised, their application being placed in the relevant Priority Band rather than the current Band 4

10 Safeguards & Mitigations

- 10.1 Appendix 2 to this report contains the comprehensive Impact Assessment of all of the recommended amendments to the Allocations Scheme. In the same way that Section 9 of this report summarises these amendments, this section of the report summarises the safeguards and mitigations identified by the Impact Assessment, presenting these against each relevant amendment.
- 10.2 **The 3-year Residency Criteria:** Upon the adoption of the recommendation to introduce a 3-year minimum residency criteria, all persons who do not live in the borough will be removed from the Housing Register. This will include non-borough residents who previously secured a “local connection” by way of having permanent employment in the borough, or by having close family living here.
- 10.3 To mitigate any adverse impact, all affected persons will be contacted and advised of the criteria changes. They will be invited to make representations if they feel that the decision causes significant hardship and an appeal mechanism will be employed to consider the representations. The appeal, if it recognises such adverse and significant hardship will restore the application in to the relevant Priority Band 1, 2 or 3.
- 10.4 This opportunity will be further extended to all in-borough applicants who have either not reached the current residential requirements, or may simply not have actioned their individual applications as diligently as they perhaps should have. Indeed, the intention is to write to these particular households in the period between Cabinet approval and actual Scheme amendments “Go-Live”, they being invited to evidence their local connection pursuant to the current scheme before the changes come into effect. In essence, this will be a process of transitional relief.
- 10.5 That specific invitation to all in-borough applications who have failed to evidence a local connection will be complemented by the further advice that the council will entertain applications to waive these requirements in exceptional circumstances or where their enforcement would cause undue hardship.
- 10.6 **Earnings Threshold:** Any blanket approach risks being one without safeguards. The intention with this amendment is to again entertain representations from individual applicants to allow consideration to permit joining the Housing Register if they are able to demonstrate some unanticipated or disproportionate impact or exceptional hardship.
- 10.7 **Key Workers:** Abolishing this scheme affects just 42 households currently. All will be specifically re-reassessed and awarded appropriate priority under the new Allocation Scheme. In addition, all who are to be removed from the register will be notified in writing and will be given the opportunity to make representations about any hardship they may suffer. Importantly, such written advice will be around three months ahead of Scheme amendments, this then

giving a limited period to continue to allow person to bid for suitable homes before their priority status is removed.

- 10.8 **Bid Limits & Penalties:** Although not reflected in the Impact Assessment for these apply to all applicants equally, it is considered worthwhile emphasising the complementary work associated with these proposals to generally minimise impact. Aside from the intention to provide clear and consistent information ahead of these changes, IT enhancements are planned that, in particular, will give bidders ‘live feedback’ on the position of a bid as lodged. This will allow immediate appreciation of a failed bid and the opportunity of placing it elsewhere. Lodged bids will be responded to with a pop-up message that reminds of the penalty potential if three offers are refused unreasonably. On that point, an appeal mechanism will be employed to ensure that any decision to place at the bottom of the Priority Band is a reasonable penalty in all circumstances.

11 The Lettings Plan

- 11.1 Following the adoption of the 2010 Lettings Policy, the June 2010 Cabinet agreed to set targets for the new Band 1 B ‘Priority Targets Groups’, these being designed to reflect certain specific priorities outside of the wider imperatives to consider the “reasonable Preference” groups, not least overcrowded households.

- 11.2 The table below outlines outcomes against each of those targets

Priority Target Group	Original Target	Demand Nov 2012	Lets 10/11	Lets 11/12
Intensive Community Care and Support Scheme	20	14	7	25
Key Worker Scheme	25	42	11	30
Supported Housing Move On Scheme	50	4	7	15
Host Team Referrals	50	13	32	128
Applicants Leaving Care	No Target	11	7	26
Sons and Daughters of CHR Partner Landlords	No Target	11	5	6
Foster Carers	8	3	2	1
Retiring from tied housing	No Target	0	0	0
Waiting List Decant	No Target	12	7	22
Totals	145	110	78	253
Band 3 Lets	Original Target	Demand Nov 2012	Lets 10/11	Lets 11/2012
Bedsit/1-bedroom	40	6109	96	86
2 bedroom	7	71897	8	13
3 bedroom	3	958	1	3
	50	8,964	105	102

- 11.3 Under the allocations scheme, “Priority Target Groups” are in Band 1 Group B. Cabinet is asked to consider and agree revised targets for each of the priority targets groups as detailed below.

Priority Target Groups

There are some changes to the groups proposed. The Keyworker Target Group will be ended as recommended in the report-but ‘Armed Forces Personnel’ will be set up as a new target group because under new legislation armed forces personnel are required to be given additional housing preference if in urgent housing need.

Placing Armed Forces Personnel in Band 1 Group B, as one of the Priority Target Groups will ensure compliance with current legislation and effective monitoring and rehousing of such applicants within a reasonable period. Currently no target is being suggested because existing numbers on the Housing Register are unknown but current numbers and new applications are likely to be low.

Priority Target Group	Proposed Target
Intensive Community Care and Support Scheme	35
Supported Housing Move On Scheme/HOST referrals	75
Applicants Leaving Care	No Target
Sons and Daughters of CHR Partner Landlords	No Target
Foster Carers	8
Retiring from tied housing	No Target
Waiting List Decant	No Target
Totals	118
Band 3 Lets	Proposed Target
Bedsit/1-bedroom	92
2 bedroom	28
3 bedroom	16

- 11.4 Intensive Community Care and Support Scheme: In 2011/12, 25 applicants were rehoused. There are currently 14 applicants waiting to be rehoused. It is proposed to increase the number in the scheme to 35 for 2013/14. The rationale for this relates to an increase in demand due to more applicants with learning disability being included and referred under the scheme. The higher target will increase opportunities for applicants living in supported

accommodation to live independently and will create vacancies for other applicants in need of this type of accommodation

- 11.5 Key Worker Scheme: to be removed from the Priority Target Group list
- 11.6 Supported Housing Move On Scheme: In 2011/12, 15 applicants were rehoused and there are currently 4 applicants waiting to be rehoused. Many of these applicants have been moved into private sector accommodation, which is why the number of lets and demand has reduced. However, some will still need to be moved into social housing so as to create vacancies for new residents and it is therefore proposed to limit the target to 25 for 2013/2014
- 11.7 Host Team Referrals: In 2011/12, 128 applicants were rehoused under the rough sleepers initiative, whereas the year before only 32 lets were made. That is because there was a surge in demand last year because of the need to improve turn over and capacity within the hostel sector. However, it is felt that the private sector remains as an alternative source of supply and, accordingly, a target of 50 for 2013/14 is proposed. However, for the purposes of the plan, this group is merged with the Supported Housing Move On Scheme group to give a total quota of 75.
- 11.8 Applicants Leaving Care: In 2001/12, 26 care leavers were rehoused. Some 11 applicants remain waiting. However, no target is proposed as these cases will be rehoused as required.
- 11.9 Sons and Daughters of CHR Landlords. In 2011/12, 6 applicants were rehoused under the severe overcrowding policy provisions or where priority was awarded on medical grounds to a member of the household. There are currently 11 cases waiting under this provision. It is not proposed to set a target to limit the number but to respond to demand in line with the Council's overcrowding reduction strategy.
- 11.10 Foster Carers: 1 applicant was rehoused under this provision in 2011/12 and there are currently 3 applicants waiting. No target is proposed as applicants who qualify are accepted under this provision as being in need of urgent need of rehousing.
- 11.11 Retiring from tied housing: No applicants were rehoused under this provision in 2011/12 and there is currently no applicant waiting to be housed. No target is proposed; in these cases there is a contractual duty to offer rehousing from tied accommodation on retirement
- 11.12 Waiting List Decant: In 2011/12, 22 applicants were rehoused under this provision and there are currently 12 households waiting to be rehoused. Applicants qualify where they are living with a tenant in accommodation that is to be decanted. No target is proposed as qualifying applicants are offered rehousing as required

- 11.13 Annual Band 3 Quota: It was agreed that a small annual quota of lettings be made available for applicants in Band 3. These are applicants who have a local connection but who are not in housing need. It includes private sector tenants who are keen to progress to more secure forms of tenure as well as tenants of Common Housing Register partner landlords who want to move to the same size accommodation. Applicants will be considered in preference date order.

It was appreciated that these applicants have little chance of moving as they are considered adequately housed. Therefore, this quota target improves their rehousing chances. That said, applicants in Band 3 do not fall within the “reasonable preference” Categories. Therefore, the quota needed to be modest in order to comply with legislative requirements that expect preference for housing to those that do fall within these categories.

In 2011/12, 102 lets went to applicants in Band 3, against a target of 50. The demand for housing from this Band currently is 8964.

In these circumstances it is proposed that the quota for Band 3 should be increased to 6% of annual lettings which will equate to roughly 136 lets. This % will be spread equally in the ratio of bedroom demand from Band 3 households up to 3-bedroom in size, thus:-

1 Bedroom Need	-	92 [68%]
2 Bedroom Need	-	28 [21%]
3 Bedroom Need	-	16 [11%]

12. COMMENTS OF THE CHIEF FINANCIAL OFFICER

- 12.1. This report seeks Cabinet approval to adopt the Allocations Scheme 2013 which will amend, where appropriate, the Lettings Policy that was adopted in March 2010. This follows the completion of a public and stakeholder consultation process.
- 12.2. The amendments to the Policy are, in part, based upon a review of the operation of the Policy since 2010, but also take advantage of the Localism Act’s relaxation of certain legislative constraints that have previously informed how the Lettings Policy needed to be framed. Revision of the Policy also offers the opportunity to amend current procedures and improve operational practice as outlined in the report.
- 12.3. The report recognises the need for enhancements to the I.T. system to allow ‘real time’ information to be made available to inform households of the progress of their bids, and also to limit the maximum number of bids permissible to three applications in any one bidding cycle. This will help to reduce the workload required to administer the lettings process. There will be expenditure associated with enhancements to the I.T. systems, but at this

early stage, it is not possible to quantify these costs, however they must be contained within the existing Lettings budget.

- 12.4. The 'One Tower Hamlets Considerations' section of the report, highlights the ever increasing demand for Social Housing within Tower Hamlets. However, with a limited supply to meet that demand, on-going review of the Lettings Policy is necessary to ensure that best use is made of the limited resources that are available to the Council, and to introduce efficiencies in processes, where appropriate.
- 12.5. All consultation costs involved with the preparation of the revised policy have been met from within existing budgets.

13. **CONCURRENT REPORT OF THE ASSISTANT CHIEF EXECUTIVE
(LEGAL SERVICES)**

- 13.1 The Council is required to comply with the requirements of Part VI of the Housing Act 1996 when allocating housing accommodation. Section 166A of the Housing Act requires the Council to have a scheme for determining priorities and the procedures to be followed in allocating housing accommodation. The Council is required to allocate housing in accordance with the allocation scheme. Until now the Council has called its allocation scheme the Lettings Policy.
- 13.2 Section 166A of the Housing Act 1996 specifies a number of matters that the Council's allocation scheme must contain. In particular, the scheme must secure that reasonable preference is given to the following categories of people with urgent housing needs –
 - People who are homeless
 - People to whom the Council owes a homelessness duty under the Housing Act 1996
 - People occupying insanitary or overcrowded housing or otherwise living in unsatisfactory housing conditions
 - People who need to move on medical or welfare grounds
 - People who would suffer hardship if they were prevented from moving to a particular locality in Tower Hamlets.
- 13.3 The scheme may also give additional preference to these categories of people.
- 13.4 Following the House of Lords decision in *R (on the application of Ahmad) v Newham LBC* [2009] UKHL 14, it is also clear that reasonable preference does not mean absolute priority over everyone else and that a scheme may provide for factors other than those in section 166A to be taken into account in determining which applicants are to be given preference. It is important, however, that such additional factors do not dominate the scheme and that the scheme continues to operate so as to give reasonable preference to the

above categories of persons. The Council's existing allocation scheme was framed with these requirements in mind.

- 13.5 The Localism Act 2011 introduced a number of key changes to the framework for local authority allocations schemes under Part 6 of the Housing Act 1996. Amongst these changes, section 160ZA(7) now gives local housing authorities power to set qualifying criteria in relation to the classes of persons to whom they will allocate housing accommodation.
- 13.6 The Secretary of State has published statutory guidance under section 169 of the Housing Act 1996 which deals with the making of allocations schemes following the Localism Act amendments. The guidance is entitled "Allocation of accommodation: guidance for local housing authorities in England" and was published in June 2012. The Council is required to have due regard to the guidance when carrying out its functions under Part 6 of the Housing Act 1996.
- 13.7 It is clear from the statutory guidance that in setting qualifying criteria or imposing requirements as to classes of persons who will be granted preference, the Council should consider the impacts of those criteria or requirements. This is to ensure that the persons in urgent housing need continue to receive reasonable preference and that any policies adopted do not result in harsh and unexpected impacts. When setting its allocations scheme, the Council must also have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who don't. An impact assessment is set out in Appendix 2, which provides information relevant to these considerations.
- 13.8 Section 166A of the Housing Act 1996 specifies minimum mandatory consultation required before making an alteration to an allocation scheme reflecting a major change of policy. The Council must send the scheme to every private registered provider with which it has nomination arrangements and ensure they have a reasonable opportunity to comment on the proposals. It is likely that proper consideration of the impacts of the new policy requires a greater degree of consultation than the statutory minimum. For example, consultation may be required with people on the waiting list to assess both equality impacts and whether the proposed changes will result in harsh or unexpected impacts. Details of the consultation conducted are set out in the body of the report.
- 13.9 The report proposes to have a single "Housing Options" band (Band 3). The intention is for applicants without any housing need to be permitted to register for housing and to be placed in Band 3. The people in this 'Housing Options' band will have a low level of preference under the scheme. The Council is required by Section 166A(9) to provide applicants with general information to enable them to assess whether accommodation appropriate to their needs is likely to be made available and, if so, how long it is likely to be before such accommodation becomes available. If the changes are

accepted, it will be important that officers ensure the Council continues to meet this obligation, even while redirecting Band 3 applicants to self-help resources.

- 13.10 The report proposes tougher criteria before applicants can establish a local connection with Tower Hamlets in order to be accepted onto the housing waiting list. Subject to specified, appropriate exceptions the requirement will be for 3 years' continuous residence in the borough. A local connection will not be established by employment in the borough or a connection with relatives living in the borough. This represents a considerable shift away from the policy in the existing lettings policy which admits a local connection is established by residence in borough for 6 months in the last 12 months or 3 years in the last five years or permanent employment in the borough.
- 13.11 The Council's proposed approach to local connection differs from both the statutory definition in section 199 of the Act and the guidelines issued previously on when a person should be considered normally resident in an area. However, consideration must be given to the way in which the Council proposes to use its new approach to local connection. Section 167(2A)(c) of the Housing Act 1996 provides that local connection (as defined in section 199) is one of the factors that the Council may legitimately take into account when determining its priorities for allocating accommodation. However, the Council's intention is not so much to use local connection as a factor for determining priorities for allocating accommodation, but rather to use it as a form of qualifying criteria which the Council may introduce under section 160ZA. Before introducing the new qualifying criterion, it is essential that the Council fully considers what the impacts will be, particularly in relation to the 2068 applicants who will be removed from the waiting list by reason of application of the new local connection requirement. The impact assessment at Appendix 2 sets out the proposal to allow exceptions to the general position, so applicants who will be removed from the list will be written to and offered an opportunity to request a review if they believe the change in circumstances will cause them hardship that the Council has not anticipated.
- 13.12 The report proposes to preclude perpetrators of anti-social behaviour from joining the single housing list for a period of three years after eviction, service of a Notice Seeking Possession or conviction, is permitted under the Housing Act 1996. Under Section 166A(5)(b) the Lettings Policy may determine priorities for allocating housing accommodation based on any behaviour of a person (or of a member of the person's household) which affects the person's suitability to be a tenant.
- 13.13 The report proposes qualifying criteria that exclude: people whose households have a joint annual income of £85,000; and homeowners. These appear to be permissible qualification requirements, provided that the Council takes into account the impacts of the requirements. These impacts need to be fully assessed. The Lettings Policy should also permit deviation from the policy if an applicant is able to demonstrate circumstances of unexpected hardship.

- 13.14 The report proposes introduction of a maximum number of three bids per weekly bidding cycle. This is an administrative matter designed to make operation of the scheme more efficient. It does not appear to affect the giving of reasonable preference and, provided it does not have that effect, is permissible under the Housing Act 1996.
- 13.15 The report proposes a temporary reduction in priority within bands to persons who refuse a third offer of accommodation. This is the sort of provision which may be permissible under the Ahmad decision referred to in paragraph 13.3 above. It is recommended that the imposition of this measure be restricted to cases where the person has refused three reasonable offers of accommodation.
- 13.16 The report proposes to permit households to apply for smaller properties than they would otherwise be entitled to, on the assumption that there are children under ten who will share a bedroom. This is permissible having regard to the bedroom standard and is specifically contemplated in the Guidance. It does mean, however, that the household may become overcrowded when the children reach the age of 10.
- 13.17 The report proposes to remove the key worker scheme. There is no legislative requirement for this scheme and, accordingly, it may be removed if that seems reasonable following consideration of the impacts consequent upon the change. Persons who are currently accorded preference by reason of being key workers will need to be written to in the manner recommended in paragraph 13.10 in respect of persons affected by the changes to local connection.
- 13.18 The report proposes to give equal reasonable preference to tenants of non-partner landlords and this appears to be consistent with the requirements of the Housing Act 1996.
- 13.19 It is consistent with the Council's statutory housing functions and its own allocations scheme for the Council to consider and adopt a Lettings Plan as proposed in the report. The proposed Lettings Plan has been prepared on a rational basis, having regard to the housing demand in the borough and the lettings made in 2009/2010. It provides a permissible means of ensuring the Council effectively gives reasonable preference and additional preference to prescribed persons under the allocations scheme and in accordance with the Housing Act 1996.

14. **ONE TOWER HAMLETS CONSIDERATIONS**

- 14.1 'One Tower Hamlets' is an overarching theme that, in strengthening local leadership, reinforces the commitment to reducing poverty and inequality and bringing local communities closer together. The expectation is of assessing the relevance of this report to these One Tower Hamlets objectives.

- 14.2 Doing so has called upon a reflection of the fact that there is significant demand for social housing in Tower Hamlets but limited supply to meet that demand. Therefore, whilst continuous improvement to the Allocations Scheme is required, any such changes need to bring about a balance between the best use of the limited resources and our responsibilities to the One Tower Hamlets themes.
- 14.3 It was therefore essential to conduct an impact assessment on the proposals as suggested for the 2013 Allocations Scheme because of the potential that such amendments might lead to discrimination or adverse outcomes for some sections of our communities.
- 14.4 The comprehensive impact assessment did not consider any of the proposed changes to have the prospect of adverse consequences on any particular section of the community, notwithstanding a total of 15 policy and operational changes.
- 14.5 Possibly the most significant change centres around 'Local connection', its definition and application. When considering the potential to remove from the Housing Register non-borough residents [be they 'no local connection' or 'local connection only by way of relatives or employment'], it was identified that, proportionally there are more white and black applicants registered from outside the borough seeking housing. However, it was subsequently shown that the majority of the applicants from these two groups also did not have any priority for housing, this then negating any disproportionate impact.
- 14.6 As to those elements associated with local connection by way of a span of time that is to grow to three years, it was not possible to establish how many applicants would fail to meet the 3 years residency criteria because data on when applicants moved in to the borough is not presently collected. Thus, in order to mitigate any as yet unforeseen consequences, safeguards will be employed to acknowledge exceptional circumstances, these being designed to minimise or negate any adverse impact on applicants who may have serious urgent housing need but fail the 3 years continuous residency.
- 14.7 This said, the capacity to have an Allocations Scheme that considers the significance of local residency is itself something in tune with the goal of keeping local communities together, that of course being balanced by obligations any such scheme must have to Persons from the Reasonable Preference groups.
- 14.8 The earnings threshold could, at first sight, be seen as putting into tension community cohesion by placing a barrier to some local people because they have secured employment. Nonetheless, it is being commended for adoption principally because the scarce resource that is social housing is generally being limited to those with no other housing options; shared ownership, outright ownership or private sector renting for example. Importantly, if these options were generally not available in the borough i.e. social housing was in the significant majority, this proposal might see certain persons obliged to move away. In the event though, the various tenures in

this borough are all well provided for, thus giving a wide option of housing solutions to those earning salaries in excess of £85,000 p/a.

- 14.9 The operational changes associated with both Bid Limits and Medical appeals have not been considered as being in tension with the one Tower Hamlets considerations. Indeed, active engagement with stakeholders and residents provided the opportunity for consultation, participation and involvement on these as well as all the other proposals, with this then leading to support for the same.
- 14.10 This may be best exemplified by the proposal to end the Key Worker Scheme. Analysis demonstrated that it was not necessarily equitable to target certain professions [Health, Fire Service, Police] when to do so would be to the disadvantage of others in similar circumstances. It was apparent from the consultation results that this view was shared widely for there was overwhelming support to end this scheme.
- 14.11 The final significant aspect of the proposals related to the capacity to permit households to bid for accommodation smaller than their ideal. Again, this was precipitated by external forces directly associated with Welfare Reform, being designed to give individuals the capacity to down size in the face of threats to their income support. The proposals contribute to tackling the potential for poverty, maximise the capacity of local people to live locally, the alternative being them needing to move away to source cheaper accommodation and, it is appreciated, do not either advantage or disadvantage any particular group of persons.
- 14.12 Finally, an Action Plan has been agreed to ensure all the changes are effectively communicated to applicants and this is set out within the Impact Assessment – Section 6, Page 21 - as appended to this report, that said changes are adequately and regularly monitored and reported upon and that the outcomes are reviewed accordingly.

15. **SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT**

- 15.1 None identified.

16. **RISK MANAGEMENT IMPLICATIONS**

- 16.1 None identified.

17. **CRIME AND DISORDER REDUCTION IMPLICATIONS**

- 17.1 The proposal to render ineligible for registration and application from persons responsible for anti-social behaviour has the potential to reinforce other measures designed to bring about reduction in crime and disorder.

18. **EFFICIENCY STATEMENT**

18.1 Much of the policy revisions relate to making the best use of the scarce stock that is social housing. However, a number of proposals around limiting bids and managing refusals will see activity levels within the Lettings Service drop. This, coupled with the intention to have a light touch approach to Band 3 households will allow some direct savings to be identified. Some resources will be directed towards wider service improvements under the auspices of the Service's developing role of providing a proactive tenancy attainment service for those in housing need without the need for growth but, in addition, it is anticipated that some modest savings might be further available. The extent of these is though, as yet, unquantified.

19. **APPENDICES**

Appendix 1 Copy of the 2013 Allocations Scheme
Appendix 2 Impact Assessment
Appendix 3 Summary of Consultation results

Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2012

Brief description of "background papers"	Name and telephone number of holder and address where open to inspection.
None	