

# FAREHAM

## BOROUGH COUNCIL

### Report to Housing Scrutiny Panel

**Date**            11 July 2019

**Report of:**    Head of Housing and Benefits

**Subject:**       DRAFT ALLOCATIONS POLICY

#### SUMMARY

It is a statutory requirement for the Council to provide assistance to people in housing need and to have an allocation scheme for assessing and prioritising applications for social housing. Following a comprehensive review of the Housing Service and changes in legislation, an updated Allocations Policy is now proposed.

#### RECOMMENDATION

It is recommended that the Housing Scrutiny Panel consider and comment on the draft Allocations Policy in advance of it being presented to the September meeting of the Executive where approval will be sought for a period of public consultation.

## **BACKGROUND**

1. Local Housing Authorities are required by law to provide assistance to people in housing need and to have an allocation scheme for assessing and prioritising applications for social housing.
2. Fareham Borough Council's current Allocation Policy was last reviewed and updated in 2012 following the introduction of the Localism Act 2011. The Act gives councils greater powers to decide which groups of people, within their area, should qualify for housing. Many councils, including Fareham Borough Council, subsequently changed their housing allocations schemes resulting in significant numbers of applicants being removed from their Housing Waiting Lists.
3. Although councils now have greater scope to decide who qualifies for housing in their area, some priority must still be given to the groups of people defined in law as falling into a 'reasonable preference' category. These categories are explained in more detail later in this report.
4. As part of the on-going review of all our services using 'systems thinking' methodology, the housing team (comprising Tenancy Services and Housing Options) undertook a detailed review of their functions in order to fully understand the demand on our current Housing Waiting List and re-evaluate the existing allocations process.
5. The demand for social housing is high and, based on the current number of applicants, far outstrips the supply available, and likely to become available, in Fareham. Within a growing climate of change and housing shortage, it has become even more vital that we ensure our limited social housing stock is only allocated to those with the greatest need.

## **THE SERVICE REVIEW**

6. The review team, comprising members of both housing teams, undertook a detailed assessment of the working practices associated with the allocation of social housing. This is known in systems-thinking as 'check' and simply means getting knowledge about the 'what and why' of current performance and involves a number of steps:
  - (a) Understand what the 'purpose' of our service is from the customer's point of view
  - (b) Identify the type and frequency of the demand on our service
  - (c) Study and map the flow of work to assess what is currently provided, how well we respond to the demands into our service and how well we are achieving our 'purpose'
7. This process enabled the team to conclude that we have two core purposes from a customer's point of view:
  - i. *"help me solve my housing problem"* and
  - ii. *"I want to live in a safe, clean and suitable home that meets my needs"*
8. Assessment of the current working practice highlighted that housing is offered to not only those with a housing 'need' but also to those with housing 'want'. This means that as well as giving priority to vulnerable and homeless or inadequately housed people, priority through the current housing allocation policy is also given to those who simply

want to move to alternative accommodation without any real necessity to move.

9. Those people on our Housing Waiting List with a genuine housing need often wait many years to be re-housed and, in some cases, have to be placed into temporary accommodation.
10. With the limited availability of housing (average of 8 properties become available for re-letting each week) and a significant demand for it (average 20 new applications to the Housing Waiting List each week), any allocation on the basis of want rather than need is not appropriate or equitable.
11. A demand analysis of 1100 customers was undertaken over a 6 week period and demonstrated that approximately 70% of contact from our customers could be classified as 'failure' demand'. Failure demand is when a customer makes contact with us as a result of us not doing something or not doing something right at the first point of contact.
12. Examples of failure demand are:
  - Can you tell me how my bid is getting on;
  - What is happening with my application;
  - What is my bid reference number; and
  - Where am I on the Housing Waiting List
13. This level of failure demand is not uncommon in housing services and takes up valuable officer time which could be used to better assist customers solve their housing problem.
14. The Council introduced the Government's Choice Based Lettings scheme, known locally as LetSelect, a number of years ago. Available properties are advertised on our website and applicants registered on our Housing Waiting List can express an interest or 'bid' on those properties. The adverts run for one week following which, the allocation decision is made based on the banding and position of all applicants who have bid on the property. A verification process will then be undertaken before an offer of accommodation is made.
15. We receive an average of 80 bids for every property advertised on LetSelect.
16. Although Housing Waiting List applicants are required to keep us up to date with any changes in their circumstances, our review concluded that many applications contained out of date information, leading to delay and considerable re-work and duplication.
17. As part of the review, a sample of applicants on the Housing Waiting List were contacted. These were applicants who were actively bidding for properties (either themselves or through an automatic bidding process) and those that had never or very seldom bid. A significant number had already solved their own housing problem so had no need to be on the list or were only on the list for future need, in case their current circumstances should change. Additionally, we were unable to contact many applicants as their contact details had changed or they had moved but had not updated their details with us.

18. Those applicants who were actively bidding generally looked for properties at least once a week but felt that there was not enough information about the properties on LetSelect to really understand what was on offer and whether it would meet their needs.
19. There is substantial evidence that the current process for allocating to vacant properties is administratively time consuming and resource intensive yet in terms of meeting immediate housing need, serves little or no purpose. LetSelect places the onus on customers to fix their housing problem alone and often is unable give enough information to make an educated choice.
20. With the demand for social housing far exceeding supply, many applicants wait for considerable lengths of time to be re-housed and in some cases have no realistic chance of ever being offered a property. This raises customer expectations which are unlikely to be fulfilled and generates the types of enquiries detailed at point 12 above.

## **THE EXPERIMENT**

21. The review team started to experiment with a new way of allocating to Council-owned properties. On receipt of a notification of a property becoming void, we did not advertise it on LetSelect, but matched a suitable applicant from the Housing Waiting List. The process of matching included obtaining up to date and detailed information about the applicant's current circumstances and gaining knowledge of the attributes of the property becoming vacant. For example, does it contain adaptations that could be made use of by an applicant, what are the sizes of the rooms, local knowledge obtained from the Area Housing Officer, etc. By amalgamating all this knowledge, the most appropriate person in the highest need of re-housing was matched to the property.
22. We gradually and carefully increased the number of allocations made in this way until we reached a point where we stopped advertising Council-owned properties completely (Housing Association properties continued to be advertised and allocated to under the existing procedures). As reported in previous reports to the former Housing Policy Development and Review Panel, the experiment has resulted in a better, more efficient process. A similar trial commenced with our main Housing Association partner (Vivid Housing) which has achieved similar results.
23. In addition, in 2017/18 the refusal rate for customers using LetSelect was 16%, compared to 10% of best match offers.
24. The second element of the experiment focused on customers who approached the Housing Options Team for advice and assistance about housing but had no prior dealings with the service and were not already on the Housing Waiting List. These customers were given comprehensive and intensive support, tailored to their specific needs and circumstances. These customers were encouraged not to join the Housing Waiting List unless there was a clear 'need' for social housing that would be met in the timescale required (NB, any customer who qualified to join the Housing Waiting List and wished to do so was not refused). Throughout the experiment, this intensive, tailored support & advice enabled the majority of customers to remain in their existing home or to secure alternative accommodation.
25. The experiment proved successful and most customers were extremely satisfied with the outcome of their contact with us. By providing a more comprehensive and

responsive service, specifically tailored to individuals and at a time when it was most needed, we saw a dramatic reduction in repeat contact and queries thus enabling officers more time to resolve customers' problems. This improved process enabled customers to make fully informed decisions about their housing within a clear and transparent system, in the knowledge that the level of support they required would be available to them by their case officer.

26. This new way of working has now been rolled out to the rest of the Housing Options team and we continue to receive positive feedback from our customers.

## **THE FUTURE DELIVERY OF AFFORDABLE HOUSING**

27. The draft Affordable Housing Strategy builds on, and provides detail to support, the Council's corporate priority of '*providing housing choices*'. The main objective within the draft strategy is to provide more affordable homes, ensuring they are the right homes in the right places for those in need of affordable housing.

28. The draft strategy contains a series of steps that will be taken over the next five years and will be supplemented by detailed action plans and policies in order to ensure the delivery of more affordable homes in the borough. In addition to committing to the delivery of new Fareham Housing (i.e. Fareham Borough Council) stock, the draft strategy also recognises the importance of new affordable home delivery through the planning system and by Registered Providers.

## **NEXT STEPS**

29. The purpose of Fareham Borough Council's housing service is to "understand each customer's housing problem and help them to solve it" therefore changes are required to our existing Allocations Policy to enable the service to achieve its purpose. Other changes have been incorporated to reflect changes in legislation and statutory guidance since the last update in 2012.

30. Members are asked to provide their views on the proposed changes as summarised at Appendix A and the proposed draft policy at Appendix B. The Panel are requested to consider these proposals in order for a draft Allocations Policy to be presented to the Executive in September 2019. A period of public consultation will follow and the results of which will be brought back to the Housing Scrutiny Panel in November 2019.

31. Any necessary changes will be incorporated into the document before the Allocations Policy is returned to the Executive with a recommendation to adopt it.

**Appendices:**                    **A:** Summary of changes  
    **B:** Draft Allocations Policy

**Background Papers:** Corporate Strategy 2017-2023  
    Draft Affordable Housing Strategy

**Reference Papers:**            Housing Act 1996, Part 6 as amended by the Localism Act 2011  
    (England)

Allocation of Accommodation: Statutory Guidance for Local  
Housing Authorities in England  
Homelessness Reduction Act 2018

**Enquiries:**

For further information on this report please contact Caroline Newman. (Ext 4645)