
Meeting: Executive
Date: 15 November 2011
Subject: Central Bedfordshire Housing Allocations Policy
Report of: Cllr Mrs Carole Hegley, Executive Member for Social Care, Health and Housing

Summary: The report proposes that the Council adopt the Central Bedfordshire Allocations Policy at **Appendix A** in order to discharge its statutory duties under the Housing Act 1996, Part VI.

Advising Officer: Julie Ogle, Director of Social Care, Health and Housing
Contact Officer: Hamid Khan, Head of Housing Needs
Public/Exempt: Public
Wards Affected: All
Function of: Executive
Key Decision Yes
**Reason for urgency/
exemption from call-in
(if appropriate)** N/A

CORPORATE IMPLICATIONS

Council Priorities:

The Choice Based Lettings Scheme, known as Bedfordshire HomeFinder, will contribute to the Council priority to manage growth effectively. The Scheme is underpinned by the Central Bedfordshire Allocations Policy.

Financial:

1. There are no direct financial implications on the General Fund or Housing Revenue Account as a consequence of this report. Any additional work required to implement the Allocations Policy is contained within budget. There is a Partnership agreement in place which requires any partner withdrawing from the Scheme to provide six months notice, prior to the start of the new financial year; or to bear reasonable costs incurred by partners, were the Council to withdraw from the scheme. This is not proposed in this report. In any event, this time period has been extended to the 17 November 2011, to enable Central Bedfordshire Council to consider its future approach.

Legal:

2. The Policy complies with the Housing Act 1996, Part VI and the relevant Statutory Instruments.

Risk Management:

3. Not Applicable.

Staffing (including Trades Unions):

4. Not Applicable.

Equalities/Human Rights:

5. Public authorities have a statutory duty to promote equality of opportunity, eliminate unlawful discrimination and harassment, and foster good relations in respect of nine protected characteristics; age disability, gender re-assignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation. Research has identified that vulnerability is particularly linked to groups including older people, disabled people, people with low levels of literacy, people from poorer socio economic groups, people experiencing domestic violence, some people from ethnic minority communities including migrant workers and Gypsies and Travellers, and people from lesbian, gay, bisexual and transgender communities.
6. The Allocations Policy has the potential to reduce inequality in meeting the diverse housing needs of households across Central Bedfordshire. Participation in the scheme and outcomes are monitored on a regular basis to ensure no sections of the community are excluded or disadvantaged.
7. A full Equality Assessment has been undertaken by the Choice Based Lettings Partnership Board, working closely with the Equalities Officer at Central Bedfordshire Council. Analysis of the scheme to date has shown no adverse impact on any particular groups. The changes following the review will make some aspects of the scheme fairer to all. The changes will be applied to all equality groups. Modelling suggests that the outcomes from the changes will have no adverse effects. However, the impact of the Policy will continue to be monitored by the Partnership Board to ensure the scheme is operating as anticipated.

Community Safety:

8. The Allocations Policy will contribute to creating more settled and safer neighbourhoods where good quality housing will contribute to the improvement in the health and well being of households.

Sustainability:

9. Not applicable.

Procurement:

10. Not applicable.

Overview and Scrutiny:

11. The Allocations Policy was discussed by the Overview and Scrutiny Committee at its meeting on 24 January 2011 and its comments are attached at Appendix D.

RECOMMENDATIONS:

The Executive is asked to:

1. **Adopt the Central Bedfordshire Allocations Policy at Appendix A as the Allocation Scheme for social housing in Central Bedfordshire.**
2. **Delegate authority to the Director of Social Care, Health and Housing, in consultation with the Executive Member for Social Care, Health and Housing, to vary the operation of the Choice Based Lettings Scheme, where so doing is not a material change to the Allocations Scheme set out in the Policy at Appendix A. This delegation includes all operational matters related to cross border mobility, including the numbers and types of properties made available for cross border letting.**
3. **Note the Local Lettings Policy in relation to Rural Exception sites in Central Bedfordshire, at Appendix C. This policy will be consulted upon, with Parish Councils and other stakeholders for a period of 12 weeks, prior to consideration by the Social Care, Health and Housing Overview and Scrutiny Committee and subsequent adoption by the Executive during 2012.**
4. **Note the opportunities afforded by the Localism Bill to consider fundamental changes to the Allocations Policy during 2012, on which basis an updated Policy will be presented to the Executive during 2013.**

<i>Reason for Recommendations:</i>	<i>So that the Council can meet its statutory obligation in meeting the diverse housing needs of customers across Central Bedfordshire, whilst increasing customer choice and control.</i>
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Executive Summary

12. The Housing Act 1996, Part VI, requires each local housing authority to establish an allocation scheme for determining priorities between households that qualify for social housing. The common Allocation Scheme exists between Central Bedfordshire Council, Luton Borough and Bedford Borough Councils, and is contained within the Central Bedfordshire Allocations Policy at Appendix A. The Policy has recently been adopted by Luton and Bedford Borough Councils.
13. The Policy includes a number of changes to the policy that was adopted by the legacy Councils in 2008, to better meet the housing needs of households across Bedfordshire. These proposed changes have been subject to consultation; an Equalities Assessment and consideration by Overview and Scrutiny Committee.
14. Central Bedfordshire Council participates in a Choice Based Lettings (CBL) Scheme, with other large housing providers, known as Bedfordshire HomeFinder. An evaluation of the scheme is contained within this report. The scheme is transparent, fair and encourages participation. Overall, the scheme is a significant success in terms of participation and meeting housing need.

15. The Social Care, Health and Housing Overview and Scrutiny Committee supported the changes to the Allocations Policy and noted the review of Choice Based Lettings, following one year of operational activity. However, the Committee did not examine cross border mobility in depth, as lettings were not, at that time, imbalanced across Bedfordshire. It is evident from more recent evaluation that cross border mobility will need to be monitored closely in future.
16. The Social Care, Health and Housing Overview and Scrutiny Committee recommended that the Executive endorse the Allocations Policy. The full comments are contained within **Appendix D** of this report.
17. At **Appendix C**, there is a proposed Local Lettings Policy which shall apply to all Rural Exception Sites in Central Bedfordshire. This Policy will be consulted upon for a period of 12 weeks, with Parish Councils and other key stakeholders, prior to consideration by the Overview and Scrutiny Committee. It is envisaged that this new Policy will be presented to the Executive early in 2012.
18. Cross border mobility is a feature of the Choice Based Lettings Scheme, as set out in the Allocations Policy at section 20 (page 40-41). In devising the scheme, the Partnership intended that the number of moves across local authority borders should remain in balance over time. The phrase commonly used was that there should not be “one way traffic” to any one local authority area.
19. It is evident, after eighteen months of operation, that the net figure in respect of moves into Central Bedfordshire is +30 from Bedford and Luton. This imbalance is not what was intended by the Partnership when the scheme was devised. This issue is examined in detail in this report. It is significant to note that relatively high housing need in Luton is being met through lettings to social housing stock in Central Bedfordshire, across both the Council’s housing stock and the stock of Aragon Housing Association.

ALLOCATIONS POLICY

20. In June 2009 Bedfordshire Home Finder was launched in Central Bedfordshire, in partnership with Aragon Housing Association, Bedford Borough Council, Luton Borough Council and Bedfordshire Pilgrims Housing Association. The Scheme introduced a new, more transparent way of allocating social homes across Bedfordshire. Underpinning the scheme was a common Allocations Policy, developed by all the Partners, to underpin the operation of the Choice Based Lettings Scheme.
21. The Policy at **Appendix A** is the common Allocations Policy, which includes all of the proposed changes. **Appendix B** sets out the proposed changes with a rationale for the change. The changes have been subject to a broad public and partner consultation. The changes are also shaped by changes to the statutory guidance on allocations. The changes are designed to make the Allocations Policy fairer, in meeting housing need.

22. The current statutory guidance on social housing allocations for local authorities in England (Fair and Flexible 2009), gives greater scope for councils to meet local needs through their allocation policies. It strengthens councils' freedom to give greater weighting to specific local needs alongside those households who have 'reasonable preference'. In some areas, this could mean giving greater priority to people who have been on waiting lists for a long time or more priority for people with strong local or family connections. Elsewhere, there may be a greater need to support people in low paid employment. These opportunities have not been fully explored by the Partnership for two reasons. It was important to achieve operational stability for the Choice Based Lettings Scheme, so recently introduced. The Localism Bill offers greater scope for flexibility than does the current Statutory Guidance, which can be explored during 2012.
23. The Allocations Policy promotes cross border movement, so as to improve social mobility and economic prosperity. The Localism Bill also contains measures aimed at improving the mobility of social housing tenants. These opportunities will be explored during 2012, on enactment of the Localism Bill. However, the significant changes introduced by the Localism Bill, include –
- new freedom to determine access to social housing;
 - local response to local need, to make best use of stock;
 - shorter term tenancies (not a home for life);
 - re-definition of the purpose of social housing;
 - social mobility is a main theme; and
 - discharge of homeless duty to the private rented sector.

EVALUATION OF CHOICE BASED LETTINGS

24. The Partnership Board monitors performance and evaluates outcomes. Work has been undertaken to benchmark the performance of Bedfordshire Home Finder with similar sized schemes across England. Looking to the future, there are important areas of work to take forward, related to on-line applications and channel shift, so as to deliver the Council's efficiency programme.

25. The Partnership Board have agreed the following outcomes and objectives for the CBL scheme. The evaluation of the scheme by the Partnership demonstrates that the following objectives are being achieved –
- To meet the legal requirements for the allocation of affordable housing under Part VI of the Housing Act 1996 (as amended by the Homeless Act 2002). This includes the allocation of:
 - To ensure appropriate levels of priority are afforded to applicants.
 - To ensure priority status on the scheme for applicants with an urgent/high housing need.
 - To offer as much choice to applicants as is reasonably possible.
 - To let properties in a fair and transparent way.
 - To support vulnerable applicants.
 - To provide feedback to applicants about homes let through the scheme.
 - To promote mobility across the Sub-Region.
 - To encourage and support sustainable communities and social inclusion.
 - To ensure applicants are treated fairly, individually and in accordance with the Partners' commitment to Equality and Diversity.
 - To make best use of affordable housing, including the use of targets and/or quotas by local authority partners, to meet the needs of the local community.
26. In total there are 11,495 people registered for social housing across the partnership. A good indicator of success of the scheme is the bidding activity of customers using choice based lettings. From June 2009 to April 2011 there have been 154,525 bids placed by customers, averaging 7,023 bids per month. A 59% participation rate is seen as high in comparison with other similar sized CBL schemes.
27. 99% of bidding is conducted via the web. Telephone and text bidding account for 1% respectively. Across the age groups this method of bidding is consistent. However, there is an issue of the relatively high numbers of non bidders in the older age groups. Targeted measures have been introduced to support vulnerable households.

28. The table below provides a representative snapshot of bidding activity across the partnership and gives a good indication of the levels of bidding activity across all the priority bandings.

Table 1: Band & Need

Band	Number		Bids	Non-Bidders		Successful Bidders		
	Total	% of total	Number of Bids Placed	Number Not Bidding	%age of band	Total	% of band /need	% of successful bidders
Band 1	12	0.1%	16	1	8%	4	33.3%	1%
Band 2	939	8.2%	1885	422	45%	218	23.2%	30%
Band 3 8 Needs	0	0.0%	9	0	-	1	-	0%
Band 3 7 Needs	15	0.1%	86	0	0%	9	60.0%	1%
Band 3 6 Needs	137	1.2%	649	24	18%	74	54.0%	10%
Band 3 5 Needs	202	1.8%	1024	35	17%	77	38.1%	11%
Band 3 4 Needs	242	2.1%	901	62	26%	57	23.6%	8%
Band 3 3 Needs	1339	11.7%	5408	408	30%	131	9.8%	18%
Band 3 2 Needs	2905	25.3%	11879	918	32%	67	2.3%	9%
Band 3 1 Need	1828	15.9%	4551	804	44%	30	1.6%	4%
Band 4	3871	33.7%	7615	2012	52%	48	1.2%	7%
Total	11490		34023	4686		716	6.2%	

Bidding activity between Jan 2011 and April 2011 (Table 1)

29. Feedback from older customers suggests they often feel that the properties they are looking at do not meet either their aspirations or needs, in terms of mobility. As a result, the partnership has introduced an Accessible Housing Register that will match existing adapted homes to those customers with specific requirements for such properties.
30. In terms of equalities, CBL is broadly representative of and reflects all groups that have applied to the housing register. Monitoring has shown that there is no unequal distribution of housing to any one specific group or groups. In terms of access and outcomes all groups are proportionately successful.
31. CBL has also had a positive effect on the void periods of properties within Central Bedfordshire Council's own Council stock. By ensuring properties remain empty for minimum periods the Council can maximise efficiencies in terms of increased rental income. In February 2010 the average letting time for general needs properties was 71 days. By February 2011, this had been reduced to 29 days. Average void times for sheltered accommodation were 110 days in February 2010. This reduced to 36 days by February 2011 and has been sustained.

32. CBL has contributed to the prevention of homelessness. Many households that may have applied as homeless have been persuaded to bid through CBL to resolve their housing need. This can be further evidenced by the fact Central Bedfordshire Council has, through a variety of homelessness prevention techniques, maintained the use of temporary accommodation at a low level.

CROSS BORDER MOBILITY

33. The CBL scheme encourages cross border mobility to promote choice for customers. All partners are required to offer 10% of their available lets for cross border mobility and these are randomly selected by the Home Connections system that is the main interface for the CBL scheme. The table below is a summary of cross border activity from December 2009 to June 2011. It should be noted the Central Bedfordshire figures also contain the Aragon Housing Association and other landlord figures.

Applicant	Bedford Properties		Central Properties		Luton Properties	
	Preference (quota)	Voluntary	Preference (quota)	Voluntary	Preference (quota)	Voluntary
Bpha			32	6	15	
Central	40	2			42	4
Luton	52		80	26		
Total	92	2	112	32	57	4

Cross Border Moves (Table 2)

34. Over the last 18 months, the Central Bedfordshire area has seen a net import of households from other areas, with a total net figure of plus 30. There has been a detailed evaluation of all moves into the Central Bedfordshire area, in relation to the Council's own stock; Aragon Housing Association stock and the stock of other landlords. Key findings include –
- 50% of households moving to properties made available on a quota basis (a requirement of the scheme) have been let to Luton area applicants.
 - 36% of properties made available on a quota basis have been let to applicants currently resident in Central Bedfordshire, meaning they have been let to households in greater need than any person seeking the property from outside of the Central Bedfordshire area.
 - A high proportion of Luton area applicants, who have been re-housed, are in relatively high housing need. It is significant that 64 households were in band 2, suggesting that the scheme is meeting pressing housing need in Luton; or that the properties in Central Bedfordshire represent a better alternative to those homes available in Luton Borough. Survey evidence suggests that people who were re-housed faced difficult circumstances and were pleased to secure a home.

- Applicants from the Luton area are moving to all areas of Central Bedfordshire, with 48 moves to Aragon stock and 38 moves to Council properties, representing 50% of all moves into Central Bedfordshire.
 - However, cross border applicants who have been re-housed in band 3 and band 4 are split in relatively even terms between households from Luton and Bedford, with 99 in band 3 (split 54/45) and 13 in band 4.
 - Moves across Central Bedfordshire are a small proportion of all moves.
35. Figures set out in the Voluntary column (table 2, paragraph 32 above) show moves into hard to let properties, made available to all registers to prevent long void times and rent loss. The overall net inflow figure to Central Bedfordshire is +26. However, an anomaly of the scheme should be noted, figures show that 70% of properties made available by landlords in Central Bedfordshire for cross border let, due to low demand, have subsequently been let to a household resident within Central Bedfordshire. This is unexpected, as the properties are initially advertised, for some weeks, to Central Bedfordshire applicants only.
36. A survey has been scoped to examine and evaluate the benefits of cross border mobility from a customer perspective. However, the results will not be available before December 2011. Initial findings from a telephone survey suggest that people moving into Central Bedfordshire did so because they were in high housing need and the property available was their best option. The survey will also evaluate the benefits to households that moved out of Central Bedfordshire, to Bedford and Luton.
37. Cross border mobility is one facet of social mobility. The Government is emphasising social mobility within the Localism Bill. During the course of 2012, there is opportunity to examine cross border mobility, in terms of outcomes for people and customer perception of those benefits, in particular for those households who decided to move to a property outside of Central Bedfordshire. In addition, there is opportunity to evaluate the impact of cross border mobility on unmet housing need in Central Bedfordshire.

ALLOCATIONS TO RURAL EXCEPTION SITES

38. Rural Exception Sites are a valuable source of new properties to help meet the growing demand for affordable housing. Rural exception site schemes are proposed and typically brought forward to meet an identified (assessed) need for affordable housing within a Parish.
39. Over several years, Parish Councils have brought forward and supported rural exception site schemes to meet housing need that has been identified and assessed through a Parish Survey, which is an assessment of existing need within the Parish. It is important that Central Bedfordshire Council supports the ambition of Parish Councils to bring forward rural exception site schemes.
40. Households must have a local connection to the specific Parish or area that is defined by the section 106 Planning agreement, as a result of which the Rural Exceptions Site scheme was developed. Typically, the Planning agreement will prescribe the Parish, in which the exception site exists, as being the area to which a local connection must be held.

41. Whilst it is important to support employment within a Parish and to enable people to move to a Parish where they have a family connection, the priority for re-housing should first be to people currently living within a Parish, who are not adequately housed. It is the main reason why parishes support rural exception site schemes.
42. The Policy at **Appendix C** is a local letting Policy designed to properly reflect the priority to households in need of affordable housing, who are currently resident within a Parish. In order to ensure that local housing need is met, this Policy will provide the legal framework for the allocation of new homes in relation to all Rural Exception Sites in Central Bedfordshire.
43. This Policy will be consulted upon for a period of 12 weeks, and the views of all stakeholders, in particular the views of Parish Councils will be taken into account. The Policy and all comments received will be considered by the Social Care, Health and Housing Overview and Scrutiny Committee, prior to Executive approval being sought in 2012.

LOCALISM BILL, FLEXIBLE TENANCIES AND AFFORDABLE RENTS

44. The Government has introduced the Affordable Rent Regime. New affordable rents will be offered by Registered Providers (typically Housing Associations) to new tenants at a rent higher than social rent, and at a maximum of 80% of local market rents. Existing tenants are protected from the new regime. However, the ability of Registered Providers to secure higher rents and to set shorter tenancy terms (a minimum of two years) will provide greater flexibility to landlords to manage their stock more efficiently. There is a fundamental shift from capital subsidy to revenue income, to deliver new social housing.
45. The Localism Bill, combined with the 'Fair and Flexible' statutory guidance has paved the way for the Council to re-think the approach to meeting housing need and to re-define the purpose of social housing. For example, the Council could decide to incentivise and encourage good behaviour by giving households with a history of a clear rent account and/or no anti-social behaviour, a greater priority in moving home. The Council could decide to prioritise those households who have secured work in the area with greater priority for social housing.
46. Local Authorities are obliged to produce a Strategic Tenancy Policy within one year of the Localism Bill being enacted, and to do so in consultation with Housing Association partners. This Policy, which can be aligned to work to explore the new freedoms of the Localism Bill, will consider the fundamental purpose of social housing; length of tenancy; and the question of whether a household should have a home for life, balanced against the benefits of mixed, balanced communities, in which people have a long term stake.

SUMMARY

47. The Local Lettings Policy will establish a position for future lettings to Rural Exception site schemes that will incentivise Parish Councils to support proposals for affordable housing development. In addition, the Policy, once adopted, will provide re-assurance that allocations to new homes will first and foremost address locally assessed, unmet housing need for people currently living within a Parish.
48. The Choice Based Lettings scheme, known as Bedfordshire Homefinder is a popular scheme and overall, is a success. The scheme can be improved. In particular, there is opportunity during 2012 to re-consider the Council's approach to cross border mobility, so as to reduce the imbalance that currently exists on inward migration and properly to examine the perceived customer benefits of cross border mobility.
49. There are efficiencies to be achieved and also wider benefits, arising from legislative change, specifically the opportunities associated with the Localism Bill, to re-think priorities for access to social housing. Indeed, over the next twelve months, there is opportunity to re-define the purpose of social housing, through the Council's Allocations Policy and Strategic Tenancy Policy, so as to promote social mobility.
50. Cross border mobility is one facet of the Council's approach to improving social mobility. Ultimately, it is the Council's vision of an economic powerhouse that is globally connected and delivering sustainable growth that is the most powerful level to change and economic prosperity. It is that vision of a green, prosperous and ambitious place for the benefit of all that will do most to improve social mobility.

Appendices:-

Appendix A	Central Bedfordshire Housing Allocations Policy
Appendix B	Proposed Changes to the Allocations Policy
Appendix C	Proposed Local Lettings Policy (for consultation)
Appendix D	Minute of the Social Care, Health and Housing Overview and Scrutiny Committee meeting, January 2011

Background Papers: (open to public inspection)

Housing Act 1996, Part VI
Statutory Code of Guidance in Allocations 2009 (Fair and Flexible)

All stated papers can be located at Watling House, Dunstable, Rm 56, High Street North, LU6 1LF