

Allocations Policy Review

Health, Social Care and Housing Committee

11 October 2011

1 Purpose of report

1.1 The purpose of this report is to recommend changes to the Council's housing allocations policy and to discharge the following Committee remits:

- From 'Allocation Policy Review' (Health, Social Care and Housing Committee, 5 October 2010):

“Agree to the consultation options proposed for the review of the local connection policy that currently applies to the rural communities of West Edinburgh and:

“Agree to the development of a project plan to conclude the current phase of the allocations review, which would be reported back to Committee.”

- From Provision of Affordable Housing for Ex-Service Personnel (Health, Social Care and Housing Committee, 24 May 2011):

“Agree to consult on the proposal to take time spent in the armed services into account when ex service people register with EdIndex.”

2 Summary

2.1 The review of the allocations policy was undertaken in response to feedback from the Scottish Housing Regulator (SHR) following the inspection of the housing service carried out in 2010 and initial consultation with tenants at the Annual Tenants Conference in October 2010.

2.2 Consultation with key partners was carried out on a number of aspects of the Council's policy for the allocation of Council housing. This is not a comprehensive review of allocations policy and guidance but is focussed on how homes are allocated to foster carers and people leaving the armed services, aligning historical local lettings policies with the allocations policy, a framework for sensitive lettings and the approach to allocating homes for mid market rent. The consultation also sought views on the potential impact of welfare reform on the Council's approach to allocations in the future and the advice it should provide prospective tenants now.

- 2.3 The consultation was carried out through a survey and meetings and focus groups with key partners including local community groups, Edinburgh Tenants Federation (ETF) and Registered Tenants Organisations (RTOs), and Registered Social Landlords (RSLs). This consultation has led to a number of proposed changes to the current allocations policy. These are set out in detail in the report.

3 Main report

Background

- 3.1 The aim of the consultation was to seek views from stakeholders on proposed changes to the allocations policy. These changes had arisen from earlier reviews and consultation including the SHR Inspection Report and the Tenants' Conference in October 2010.

The Consultation

- 3.2 A consultation methodology was developed to support the Allocations Policy Review. Views were sought in four ways; survey, briefings to areas affected by proposals to local lettings initiatives, a focus group aimed at stakeholders and a consultative meeting with ETF and RTOs.
- 3.3 The survey was advertised through existing Council networks, Council website, Council Intranet, Key to Choice Website, Twitter and Facebook. The survey was also advertised in the Key to Choice publication, and by placing posters in partner organisations' offices. 210 people responded to the survey.
- 3.4 A media statement was released to raise awareness of the consultation, and short articles appeared in the Herald, the Edinburgh Evening News and Inside Housing.
- 3.5 The focus group was held on 25 August 2011, with all elements of the consultation being discussed by a range of stakeholders for whom the consultation had a direct impact.
- 3.6 A consultative meeting was held on 5 September 2011 with ETF and member RTOs. A summary of the feedback from this event is included under each theme.

Theme 1 - Recognising additional bedroom/s requirements of registered foster carers when determining the size of property for which the household is eligible

- 3.7 The number of Looked After and Accommodated Children in Edinburgh has increased from 850 in 1999 to 1,350 at present. More than a third of these children and young people are placed in foster families. If this trend continues an additional 40 foster care placements will be required every year. At present, room entitlement is based on household composition at time of application for social housing.
- 3.8 It was proposed that registered foster carers may be considered for properties with an extra bedroom (or bedrooms), so that they can take foster children on

placement as required. Introduction of this policy would support the placement of vulnerable children and young people with foster carers.

- 3.9 86.4% of those responding to the survey agreed that additional bedroom requirements of registered foster carers should be recognised when determining the size of the property for which the household is eligible.
- 3.10 The majority of RTOs who responded agreed with this proposal.
- 3.11 Further work will be undertaken by the Council to agree a procedure for managing foster carer applications/bids for housing (including any required amendments to EdIndex (Edinburgh's Common Housing Register)).
- 3.12 Committee is asked to agree that additional bedroom requirements of foster carers be taken into account when determining property size eligibility.

Theme 2 - Proposing inclusion of time spent in the armed forces in determining the application 'date' for ex-service personnel

- 3.13 The proposal was that if ex-service personnel apply to register on EdIndex within three years of leaving the armed forces, then length of service should be taken into account. This would mean that the date as an EdIndex applicant would be recorded as the date the applicant entered the armed forces.
- 3.14 If, however, an applicant who formerly served with the armed forces has been awarded silver priority (under homelessness legislation/guidance) or gold priority (for assessed housing need on mobility grounds) this will already give a higher level of priority. In these circumstances, the start date would remain the actual date that they registered with EdIndex.
- 3.15 68.8% of those taking part in the survey agreed that ex-service personnel should have the time they spent in the armed forces added to the time registered with EdIndex.
- 3.16 The majority of RTOs who responded agreed with this proposal. It should be noted, however, that ETF indicated they were unable to support this proposal as three out of five RTOs representing council tenants disagreed with this.
- 3.17 Views were also widely expressed that robust housing advice and early intervention should also be provided before people leave the armed forces.
- 3.18 Some expressed an opinion that a time limit should be put on ex-service personnel registering on EdIndex, suggesting that this should be done within a certain period of leaving the armed forces.
- 3.19 Committee is asked to agree the proposal for introducing additional waiting time for ex-service personnel (on the basis that they register within three years of leaving the armed services), and also that the Council work with the Ministry of Defence to provide specialist housing advice and information to those serving in the armed forces and seeking to resettle in Edinburgh at the earliest possible time.

Theme 3 - Existing local lettings initiatives; Interim local lettings plan currently in operation for former age restricted multi-storey blocks

- 3.20 Following a report to Committee on 5 October 2010, Committee endorsed an interim policy for the management of former age-restricted blocks, and the proposal to develop a sensitive letting policy. This proposal was made on the basis that the Council had to cease using age restrictions in nine of its multi storey blocks as this did not comply with the Council's legal and regulatory obligations.
- 3.21 The interim policy introduced was that both starter and mover households will be considered and properties will be let to avoid a concentration of inexperienced and/or vulnerable households. In addition, the properties in Persevere Court, Citadel Court, Greendykes House, Wauchope House, Kilncroft, Drover's Bank and Midcairn House will not make allocations to households with children less than 16 years of age.
- 3.22 Feedback from the neighbourhood offices to date indicates that the interim policy has been effective in sustaining balanced and mixed communities within the blocks.
- 3.23 88% of those surveyed agree that the Council should retain the interim policy, providing that it is regularly reviewed.
- 3.24 The majority of RTOs who responded agreed with this proposal.
- 3.25 Committee is asked to agree that the interim letting policy for former age-restricted blocks is retained as a permanent policy, which will be subject to annual review.

Theme 4 - Existing local lettings initiatives; Local lettings plans for the outlying areas in West Edinburgh

- 3.26 This local letting policy applies to Council properties in the outlying areas of South Queensferry, Dalmeny, Kirkliston, Ratho, Ratho Station and Newbridge. It requires applicants to have a local connection to be considered for housing and it also sets out which area(s) people with a local connection are eligible for. Local connection means that the applicants already live in particular areas and wish to move, work there, or have close family members (parents, grandparents or siblings) living in these areas whom they provide support to or get support from.
- 3.27 People registered on EdIndex and living in these areas are, however, also able to bid and be considered for available homes anywhere in Edinburgh.
- 3.28 This local letting policy is historical, and has been in place since 1974, when local government reorganisation brought these areas into Edinburgh City. The SHR inspection highlighted the policy should be reviewed regularly. The SHR also noted a potential equalities concern that the current restrictive criteria could prevent fair and equal access to all available housing.

- 3.29 The properties that became available for letting from 01/04/10 to 31/03/11 in the outlying areas represent 1.7% of all lets (23 lets), with 2.9% of the Council's housing stock being located there.
- 3.30 It should be noted that local connection restrictions are not applied by any of the partner RSLs with stock in these areas.
- 3.31 In reviewing this policy, three options were consulted on for how lets in the outlying areas could be managed in the future:
- End the Local Connection Policy
This would mean that Council properties in these areas would be let in accordance with the Council's Choice based letting policy (with no local connection criteria being taken into account). They would therefore potentially be open to all applicants on EdIndex.
 - Operate a Quota System
An agreed proportion of available properties would be advertised and let using the local connection criteria. The proportion of properties that would be subject to the local connection restrictions would need to be transparent and ensure that properties were advertised to city wide applicants and people with local connection alternately as they became available.

Best practice would suggest that this should be linked to outcomes which need to be further developed, within the framework of a revised local letting plan.
 - Retain the existing Local Connection Policy
Continue to operate on the existing policy, with a commitment to consult and review on a regular basis.
- 3.32 61.9% of those surveyed did not agree with the existing Local Connection Policy being retained.
- 3.33 71.2% of those surveyed agreed that all applicants registered with EdIndex should have equal access to all Council homes across the city. 60.3% agreed with the operation of a quota system. This would allow a proportion of homes to be allocated to people with a local connection, while allowing others from outwith the outlying villages the opportunity to move there.
- 3.34 The majority of RTOs who responded agreed that this policy should not be retained and that all applicants registered with EdIndex should have equal access to all Council homes across the city.
- 3.35 The majority of RTOs who responded also agreed with the introduction of a quota system.
- 3.36 The Tenant Conference on 28 August 2010 also provided a strong indication that the existing local letting policy is contentious. The view by the majority of tenants that attended the Conference was that the policy was unfair as the majority of applicants can't access properties in these areas, but residents from

the outlying areas can be considered for any suitable Council or EdIndex landlords' properties in Edinburgh.

- 3.37 While there is local support for retention of this criteria, the majority of respondents felt that it was unfair and inequitable as it gave residents with a local connection in these areas both a preference for properties in their local areas alongside the ability to bid for properties throughout Edinburgh.
- 3.38 Committee is asked to agree to align allocation policy in outlying areas to the city wide policy and remove the local connection criteria.

Theme 5 - Adopting a clear and transparent policy on the use of sensitive lets

- 3.39 The recommendation to Committee on 5 October 2010 regarding the interim policy for age-restricted lettings also included a proposal to consult on a sensitive letting policy that could be used for any let.
- 3.40 Sensitive lettings policies can be put in place to allow social landlords to develop allocations policies which deliver the following outcomes:
- Respond to local housing need and demand;
 - Match suitably matched applicants to properties; and
 - Achieve a balanced housing mix within particular buildings or areas.
- 3.41 Sensitive lettings requires discretion to be applied when making an offer of housing of a particular property in a particular area, and, therefore, additional criteria not applied within the main Choice based letting policy may be used in certain defined circumstances. A decision to apply sensitive lettings criteria would be taken before a property is advertised to let.
- 3.42 Factors that could be taken into account in agreeing sensitive lets are:
- Best use of stock – for example maximising the use of properties, making sure that properties with adaptations are allocated to those with an assessed need.
 - Household needs – for example ensuring that individuals are near support services or transport links etc if they are vulnerable, elderly or have young families.
 - Managing anti-social behaviour – for example assessing individuals and having an awareness of previous anti-social behaviour, before making a placement.
 - Assessment of support needs – for example matching properties in accordance with individuals who have an identified health or social care need.
 - Risk assessment under the Multi Agency Public Protection Arrangements.
- 3.43 The policy proposal consulted on was that sensitive lettings may be applied to a property to let where neighbourhood circumstances would make it reasonable for one or more of the following to apply:

- Applicants are vulnerable and/or have social problems, and the allocation of a property would not be suitable for their needs or would not create a balanced or sustainable let.
- Applicants have been responsible for serious anti-social behaviour in a previous or current property. This would not be strictly defined but would normally relate to a course of conduct over a period of time.
- Applicants have been warned about their conduct or behaviour when occupying temporary accommodation.
- Applicants have been evicted for anti-social behaviour or have been subject to an Anti Social Behaviour Order (ASBO) within the last three years.
- Any other criteria where the Local Housing and Regeneration Managers can evidence that the applicant is not suitable for the offer.

- 3.44 Introduction of a sensitive lettings policy would mean that local Housing and Regeneration Managers would be able to apply the criteria in a positive way, which will be transparent and will hold up to scrutiny. Any allocation decisions must, however, still be based on need and sensitive lets would not be used as a means of 'screening out' households that may require greater support or involvement from staff. Adopting specific criteria would also allow for more effective monitoring.
- 3.45 89.6% of those surveyed agreed that the introduction of a sensitive lettings policy would ensure best use of available properties. The comments indicated, however, that sensitive lettings must be transparent, and supported by a robust framework (with processes and procedures to ensure consistent practice).
- 3.46 This scrutiny should consist of an annual review of sensitive lets, as well as regular audits.
- 3.47 The majority of RTOs who responded agreed with the sensitive lettings policy.
- 3.48 Views were expressed that there was a risk that people would be screened out. However, the intention is for sensitive lettings to be managed in such a way as to support individuals and communities and to ensure that people are not unintentionally unfairly disadvantaged.
- 3.49 Committee is asked to agree to the development of a sensitive lettings policy, which will be subject to regular review and scrutiny based on the criteria set out in paragraphs 3.42, 3.43 and 3.46.

Theme 6 - Review of the lettings policy for the mid market rent pilot in East Edinburgh to inform future lettings policies for subsequent mid market rent properties in development (including Gracemount)

- 3.50 Homes for mid-market rent have been identified as an option to help address the housing need within the city, with the rent levels being set between social rent and private rent levels. In Craigmillar, 19 mid market rent properties were initially let in September 2009. The East Edinburgh Neighbourhood Office have reported that the initial policy and management of the mid market rent properties has worked well.

- 3.51 Households must currently meet the following criteria to be considered for mid market rent properties. Applicants must be registered on EdIndex. Any property must be appropriate for the household size (as per bedroom sharing criteria in the Council's Choice Lettings Policy) and the property must be occupied as the households' sole or principle home.
- 3.52 Mid market rent homes are only offered to households with no/low support needs, or households where any support needs are being fully met at the time the tenancy is being offered. Other specific letting criteria are provided in the adverts in Key to Choice to ensure that the letting process is transparent for applicants. The aim of this approach is to prevent allocation of properties that would lead to an unsustainable let or would impact negatively on the community.
- 3.53 Currently, there are a number of RSLs who are also developing and letting mid market rent homes. These RSLs are choosing to let their mid market rent properties through subsidiary companies. This means that they can apply different criteria to the way they let these properties e.g. they are able to apply income criteria (under the Affordable Housing Policy) and offer applicants Short Assured Tenancies.
- 3.54 As the Council is letting mid market rent properties directly (i.e. not through a subsidiary company), the legal framework dictates that they must be let as Scottish Secure Tenancies. As such, this prohibits the use of income as a criterion for allocations. The SHR considered Edinburgh's initial lettings policy for the mid market rent properties in Craigmillar, and commented on the use of employment as an eligibility criterion for mid market rent. The use of this criterion meant that properties could not be short listed from EdIndex as this information is not collected for social rents. The SHR raised concerns that this would potentially exclude some people from being considered. The interim policy has been amended and it is now a requirement that applicants must be registered on EdIndex to be considered for mid market rent properties. This is in alignment with the policy approach of the RSLs that operate this form of tenure.
- 3.55 Scottish Government is about to consult on legislation affecting alternative affordable tenures (including mid market rent properties). This may see future amendments to the legal and regulatory framework such as allowing local authorities to take income criteria into account when letting mid market rent properties.
- 3.56 88.1% of those surveyed agreed that the interim lettings policy for mid market rent is reasonable and should be approved as appropriate for use with mid market rent properties that are let by the Council in the future.
- 3.57 The majority of RTOs who responded agreed with this policy.
- 3.58 On the basis that the legal and regulatory framework for alternative tenures may change, and the interim allocations policy for Craigmillar has been successful to date, Committee is asked to approve the retention of the mid market rent allocations policy. This would then be adopted for any future mid market rent properties that are developed/become available for let, but reviewed in line with emerging Government policy and legislation.

Theme 7 - Consideration of the impact of the Welfare Reform Bill 2011 and the proposals for under-occupancy

- 3.59 One element of the Welfare Reform Bill is to reform Housing Benefit. One of the proposed changes is that from April 2013, working age tenants in social housing would only be entitled to Housing Benefit that matches the size of their household. This means that if a single person or couple were living in a house with two or more bedrooms, they would receive less Housing Benefit than the rent charged as they would be considered to only require one bedroom accommodation.
- 3.60 The majority of households in Edinburgh are single people or couples, and the majority of social rented housing has two bedrooms or more. This means that there will be a mismatch between tenants and property size/availability.
- 3.61 The Council is already piloting a Tenant Incentive Scheme to help people under-occupying a Council home and willing to down-size. The scheme offers assistance to help with the cost of moving or to help them settle into their new home. A report monitoring progress of the Tenant Incentive Scheme is also being presented to this Committee.
- 3.62 It is proposed that housing advice is further developed to ensure that all people are advised of potential future affordability issues linked to proposed Housing Benefit reforms before they accept a tenancy.
- 3.63 71.2% of those surveyed agreed that allocations should continue but that prospective tenants should be advised of a potential shortfall in Housing Benefit.
- 3.64 The majority of RTOs who responded agreed with this proposal.
- 3.65 Committee is asked to agree that housing advice will be developed to ensure that all people are advised of potential future affordability issues linked to proposed Housing Benefit reforms before they accept a tenancy and to agree to further review of the impact of the Welfare Reform Bill 2011 in terms of other areas of housing management policy.

Other issues

- 3.66 ETF highlighted two areas of concern for further discussion; the proportion of available homes that are allocated to homeless households and the impact this has on other people looking for housing; and that consideration should be given to the use of introductory or probationary tenancies.
- 3.67 The Council has increasing statutory obligations to house homeless people as a result of the Scottish Government requirement that all unintentionally homeless people should be found housing. This requirement comes into force at the end of 2012.
- 3.68 Legally the Council cannot provide probationary tenancies to new tenants. In certain limited circumstances, however, the Council can provide Short Scottish Secure Tenancies to new tenants who have previously been evicted for anti

social behaviour or have been subject to an ASBO. The proposed Scottish Government consultation is also expected to consider options in this area.

- 3.69 Further consultation with ETF will take place to explore the issues arising from the consultation and identify what, if any, measures can be taken forward to deal with their concerns.

4 Financial Implications

- 4.1 There are no financial implications arising from this report.

5 Equalities Impact

- 5.1 There are no significant impacts on equalities, diversity or Human Rights arising from the recommendations within this report. The pre-assessment score for this report has been graded as three therefore a full Equalities Impact Assessment is not required.
- 5.2 The revised allocation policy as outlined within this report will have a positive impact for all customers and improve equality of potential access to all available housing stock to applicants registered on EdIndex.

6 Environmental Impact

- 6.1 There are no adverse environmental impacts arising from this report.

7 Conclusions

- 7.1 The consultation on the review of the allocations policy has been carried out with a wider range of partners, customers and other stakeholders including affected community groups and tenants. While there is not unanimous agreement from all stakeholders the changes proposed reflect a balance between stakeholder views, direction from Committee, statutory requirements and feedback from the SHR. The impact of these changes will be monitored during their implementation and views will be sought from customers and other stakeholders as part of this.

8 Recommendations

- 8.1 It is recommended that the Health, Social Care and Housing Committee agrees:
- a) That the additional bedroom requirements of foster carers be taken into account when determining property size eligibility.
 - b) The proposal for introducing additional waiting time for ex-service personnel (on the basis that they register within three years of leaving the armed services), and also to committing to work to provide specific housing advice and information for those serving in the armed forces at the earliest possible time.
 - c) That the interim letting policy for former age-restricted blocks is retained as a permanent policy, which will be subject to regular review.

- d) To align allocation policy in outlying areas to the city wide policy and remove the local connection criteria.
- e) To the development of a sensitive lettings policy based on the criteria outlined in 3.42 and 3.43, and subject to scrutiny as outlined in 3.46.
- f) That the initial mid market rent allocations policy be adopted for any future mid market rent properties that are developed/become available for let until any future legislative changes are implemented.
- g) That housing advice is developed to ensure that all people are advised of potential future affordability issues linked to proposed Housing Benefit reforms before they accept a tenancy, and to agree to further review of the impact of the Welfare Reform Bill 2011 in terms of other areas of housing management policy.
- h) To further work being undertaken to look at options to address concerns raised by ETF in relation to lets to homeless households and managing new tenancies.

Mark Turley
Director of Services for Communities

Appendices

Contact/Tel/Email Karen Allan, Services for Communities
Tel: 0131 529 6711

Wards affected All

Single Outcome Agreement Supports National Outcome (15) - Our public services are high quality, continually improving, efficient and responsive to local people's needs
Supports Edinburgh Outcome - People's perceptions of the quality and responsiveness of public services in Edinburgh are improved.

Background Papers

1. Allocations Policy Review Consultation Methodology
2. Allocations Policy Review Survey Summary
3. Allocations Review Focus Group Summary
4. Allocations Policy Review Report (5 October 2010)
5. Provision of Affordable Housing for Ex-Service Personnel (24 May 2010)