

DECISION-MAKER:	CABINET		
SUBJECT:	ALLOCATIONS POLICY		
DATE OF DECISION:	16 JULY 2024		
REPORT OF:	COUNCILLOR FRAMPTON- CABINET MEMBER FOR HOUSING		
<u>CONTACT DETAILS</u>			
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STATEMENT OF CONFIDENTIALITY	
NOT APPLICABLE.	
BRIEF SUMMARY	
<p>The Allocations Policy details Southampton City Council's (the council's) updated allocation scheme. All Housing Authorities in England are required by section 166A (1) of the Housing Act 1996 to have an allocation scheme. This scheme must determine the priorities and procedures to be followed in allocating social housing.</p>	
<p>The council is proposing to replace a points-based scheme with a banding scheme to prioritise applicants on the Housing Needs Register. The banding scheme operates by grouping applicants into 4 priority bands in order of priority. The banding scheme is considered easier for residents to understand, and simpler for the housing authority to administer and prioritise those in most need. The banding scheme is the predominant allocation scheme in England.</p>	
RECOMMENDATIONS:	
	(i) To approve the new Allocations Policy.
	(ii) To delegate approval to the Executive Director for Resident Services to make minor changes to the policy and approve the implementation timescales of the policy once a new computer system is purchased.
REASONS FOR REPORT RECOMMENDATIONS	
1.	To update the Allocations Policy and replace the points-based scheme with a banding scheme.
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED	
2.	To not update the policy and maintain a points-based allocations scheme. This has been rejected because the banding scheme is considered easier to understand for residents, simpler to administer and prioritises those in need.
DETAIL (Including consultation carried out)	
3.	In Southampton, the demand for social housing outweighs its supply. The council owns 16,381 dwellings and there are a further 7,901 dwellings owned by housing associations. However, there are only a limited number of vacancies. In 2022/2023, there were just over 8,000 people on the waiting list

	for social housing but only 768 lets were made. The proposed new policy provides a framework for allocating a limited number of vacancies in the city.
4.	There are 5 main changes proposed for the policy which may impact residents on the Housing Needs Register or in social housing in Southampton.
5.	First main proposed change: The first is the council's proposal to change from a point-based scheme to a banding scheme. The banding scheme is designed to give the greatest priority to those applicants who are in the highest need. Under the current scheme, applicants receive one point per month for waiting, in addition to the other points which relate to their circumstances. Therefore, applicants can accrue many points by waiting a long time. They are often successful in bidding on properties to the detriment of those who applied later but are in more acute need. Under the current scheme, officers seek exceptions to the policy to meet this unmet acute need. These risks undermine confidence in the policy and the council's ability to be equitable in its treatment of all applicants. In the new scheme, the tiebreaker for separating two applicants with the same priority will be the date they were awarded that priority rather than the length of time waiting.
6.	Additionally, the banding scheme is used widely by other authorities and is considered simpler to understand. The current policy has 18 different points categories and 3 different applicant categories who may be entitled to those points categories. Whereas the banding scheme has 4 bands in order of priority and no distinct applicant categories.
7.	Second main proposed change: Under the current scheme applicants use the Homebid website to view available properties and make bids for homes they are eligible and interested in. If the applicant is offered a property, currently they can refuse as many offers as they would like without penalty. The second main change proposed is that if three suitable offers are refused by an applicant, the applicant will be placed into Band D (the lowest priority band) for a total of 6 months. If a suitable offer is refused a fourth time, the applicant will be removed from the Housing Needs Register. This change is proposed because refusal of properties is time-consuming for the council and can result in a potential rent lost.
8.	There are times when this would not apply. This includes if an applicant placed in Band A1 and A2 (those need Applicants placed in Band A1 and A2 (those needing to move due to urgent medical or welfare needs and people escaping violence or intimidation), will receive one offer. If this offer is refused, they will be placed back into their previous band. If the applicant did not previously have a band, they will be removed from the Housing Needs Register. The council will continue with the policy that if an urgent Adapted Property Direct Let is refused by an applicant, they will no longer be considered and wait in turn.
9.	Third main proposed change: Under the current scheme, two children of the same sex are expected to share a bedroom regardless of their age gap. Under the new policy, children, from the age of 16 years old and older, will be entitled to their own bedroom. This mirrors the rules that currently apply to tenants in the private sector, with regard to Housing Benefit and Local Housing allowance regulations. This may mean that there is a longer wait for larger properties. However, the council can still offer smaller properties to

	families if they would prefer to move sooner and if this would improve their housing situation.
10.	Fourth main proposed change: Currently, applicants must have lived in Southampton for three continuous years before they are allowed to be on the Housing Needs Register. We are proposing that applicants can apply to the Housing Needs Register if they have lived in Southampton for three out of the past five years. This means that those who have had to leave Southampton to find temporary accommodation would not be excluded from the Housing Needs Register for that reason.
11.	Fifth main proposed change: Currently, once applicants are accepted onto the Housing Needs Register, they do not have to re-register on an annual basis. We are proposing that all applicants will have to re-register annually. This will confirm whether circumstances have changed and ensure applicants are assigned to the correct band. This means if the policy is approved and implemented, then existing applications will be closed. For the majority, the process to re-register will include a simpler exercise and not a full new application to be made. There is very little change to the overall eligibility rules to join the Housing Needs Register so most applicants will still qualify for rehousing. However, not all will receive the same level of overall priority. Of those who wish to reapply, the applicants most impacted will be those who have waited a long time and accrued significant points simply by waiting. However, if their circumstances have not changed, they are likely to still be permitted to remain on the Housing Needs Register.
12.	Under the Officer Scheme of Delegation, the Director of Housing has the delegated authority to make an exception to policy, give additional priority or take other action necessary. This delegated authority will only be used in very exceptional circumstances to ensure the council is equitable in its treatment of applications for re-housing.

RESOURCE IMPLICATIONS

Capital/Revenue

14.	The implementation of the policy is subject to having the new computer system in place. A tender process will be required to find an appropriate provider to meet the required specifications for the new system. The new system will need to be successfully implemented with appropriate training for the Allocations team and other relevant officers on how to use it.
15.	There are also financial implications of the new system. The initial investment cost of the new system is not currently built into the HRA business plan. An estimated capital cost of £0.04M, financed through borrowing, would create a borrowing cost of approximately £5,000 per annum over 10 years. This could be funded from a potential saving of £15,000 per annum against a grade 4 0.5 FTE post. Annual maintenance/subscription charges are estimated to be in line with current budgets for the existing system and can therefore be met from existing resources in the business plan.
16.	It is anticipated that there will not be a material impact on overall rental income as a result of the policy change but the changes around limiting the number of refusals should help minimise lost rental income during periods between tenancies.

<u>Property/Other</u>	
17.	None.
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
18.	All Housing Authorities in England are required by section 166A (1) of the Housing Act 1996 to have an allocation scheme. This scheme must determine the priorities and procedures to be followed in allocating housing accommodation.
19.	<p>The council has certain legal requirements (including in the Allocation of accommodation: guidance for Local Housing Authorities in England and the Housing Act 1996) for consulting and publishing allocation schemes, especially if there is a major policy change. The council must:</p> <ul style="list-style-type: none"> • send a copy of the draft scheme, or proposed alteration, to every Private Registered Provider with which they have nomination arrangements; • ensure they have a reasonable opportunity to comment on the proposals. • ensure, within a reasonable time, that those likely to be affected by the change have the effect brought to their attention, taking such steps as the housing authority considers reasonable. • publish a summary of their allocation scheme and, if requested, provide a free copy of it. <p>make the full scheme available for inspection at their principal office and, if requested, provide a copy of it on payment of a reasonable fee.</p>
20.	The council has due regard to the public sector equality duty under the Equality Act 2010 and the Human Rights Act 1998 in formulating and carrying out this policy. This has been captured in the Equality and Safety Impact Assessment (ESIA) which can be found in Appendix 2.
21.	<p>The consultation provided some valuable insights into the views of residents on the draft proposed allocation policy. The main points are outlined below:</p> <ul style="list-style-type: none"> • The proposal to switch from a point-based system to a banding scheme received mixed feedback. While nearly half of respondents to the consultation viewed banding as fairer and consistent with other local authorities, there were valid concerns from those already on the waiting list. However, testing the policy on sample cases revealed minimal impact on individual application priority. • While most respondents supported limiting the number of offers applicants can refuse, a notable portion disagreed. We acknowledge this, but propose no changes to the policy • While nearly half (48%) of respondents agreed to re-registering annually, 38% expressed concern about the stress it might cause. To address this, we aim to simplify the process and offer support to those who need it. This includes clear communication channels and a comprehensive plan to inform all applicants. Importantly, existing applicants will only need to re-register once, and won't face annual renewals until March 2026 unless their circumstances change. • The proposal to allow children to be entitled to their own bedroom from the age of 16. Over 60% of respondents agreed with this, and there

	<p>was majority backing across all groups. As a result, the policy will be implemented as planned with no changes based on the consultation feedback.</p> <ul style="list-style-type: none"> • The proposal requiring applicants to live in Southampton for 3 out of the past 5 years received moderate support. With 58% agreeing, the consultation results back this change. This will allow those who had to temporarily relocate to still be eligible for the Housing Needs Register • The proposal for pre-move inspections of existing tenants received strong backing. A significant majority, over 70% of respondents, agreed with this plan. This feedback reinforces the proposed policy. <p>The feedback from the consultation has been summarised and is shown in the consideration table in Appendix 4. There is also the full consideration report shown in Appendix 3 which provides further detail.</p> <p>After consideration of the feedback no changes have been made to the policy. It has been clarified that a period of 12 months will be given to allow existing applicants to re-register on the new system, and under the new policy. Any re-registrations received after this 12 month period will be looked at on a case by cases basis considering circumstance and housing need.</p>
Other Legal Implications:	
22.	Section 166A of the Localism Act 2011 states that the allocation scheme must have regard to the tenancy and homelessness strategy. A strategy review has been undertaken to ensure that this policy aligns with our policies and strategies, including our Corporate Plan 2022/2030, Tenancy Strategy and new Homelessness and Rough Sleeping Strategy 2024-2029.
RISK MANAGEMENT IMPLICATIONS	
23.	The implementation of this policy is subject to having a new computer system in place. If the policy is adopted, there will be a delay between the adoption and implementation of the policy, due to the time required for the Procurement team to purchase and set up a new computer system. If the policy is approved by the Cabinet in June 2024, it is estimated the implementation phase will be completed by March 2025. The Executive Director for Resident Services is seeking delegated powers from the Cabinet to decide on the implementation time scales of the policy.
24.	The policy may require all residents on the social housing list to reapply to the new banding scheme. Some applicants may be frustrated by this process. There is a risk that some people may feel they have been placed further down on the waiting list, than on the points-based scheme waiting list. It may be onerous for vulnerable people who may need support in re-applying. Communication and messaging around this new policy will need to be clear. It will need to explain that people's time on the waiting list is considered, as is the housing need and other criteria to place them into certain bands. The council may consider procuring a supplier which can undertake data integration, to prevent applicants from having to re-apply. If such a supplier cannot be procured, the council will support applicants in the re-application process.
POLICY FRAMEWORK IMPLICATIONS	
25.	The policy is in accordance with the relevant Policy Framework policies and strategies.

KEY DECISION?	No	
WARDS/COMMUNITIES AFFECTED:		
<u>SUPPORTING DOCUMENTATION</u>		
Appendices		
1.	Allocations Policy	
2.	Equality and Safety Impact Assessment (ESIA)	
3.	Draft Allocation Policy Full Consultation Report	
4.	Consideration of feedback table	
Documents In Members' Rooms		
1.	None	
Equality Impact Assessment		
Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.		Yes
Data Protection Impact Assessment		
Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.		No
Other Background Documents		
Other Background documents available for inspection at:		
Title of Background Paper(s)		Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1.	None.	
2.	None.	