

THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA

Meeting of the Council – 28 June 2006

Reports of the Overview and Scrutiny Committees

Submission from the Housing, Environment Health and Adult Social Care Overview and Scrutiny Committee

CONSULTATION ON A NEW HOUSING ALLOCATION SCHEME

Through the Housing, Environmental Health and Adult Social Care Overview and Scrutiny Committee, a new housing allocation scheme has been developed and is due to be implemented in January 2007. A draft version will shortly be circulated for external consultation, as required under the Housing Act 1996. This report highlights the key proposals in the new scheme and invites Council Members to participate in the consultation process.

FOR INFORMATION

1. Background
 - 1.1 The Royal Borough's current allocation scheme was published in November 1998, in accordance with the 1996 Housing Act. Minor amendments were required in 2003, as a result of the 2002 Homelessness Act, but in all other respects the scheme has remained unchanged for the past seven years.
 - 1.2 Work to review the allocation scheme was first initiated in 2003/04, following a "health check" on local policy and practice carried out by an external consultant. A considerable amount of work was subsequently undertaken and a number of issues were considered, including the possibility of moving from a points-based system to one of "banding." This option was explored in depth but was eventually ruled out as unworkable. It was then agreed that a more radical review was needed, looking at the allocation scheme as a whole and taking account of the wider policy context in which it operates. A new OSC Sub-Group on Allocations was set up to oversee the work and met for the first time in October 2005.
 - 1.3 Before adopting a new allocation scheme or altering the existing one, the Council has a duty under the 1996 Housing Act to consult with all Registered Social Landlords (RSLs) with whom nomination arrangements are in place. In addition, under a statutory code of

guidance, issued by the Office of the Deputy Prime Minister in November 2002, there is a requirement to extend the consultation to other relevant bodies, including social services departments, health authorities and relevant voluntary sector organisations. The recommended timescale for the consultation period is a minimum of 12 weeks.

2. Context for the new allocation scheme

- 2.1 There are currently approximately 11,000 applicants registered on the Common Housing Register (CHR), including Council transfer cases, while the total number of Council and RSL-owned properties available for letting to these households is fewer than 700 a year. With no prospect of significantly increasing the supply of social lettings, a key role for the new allocation scheme will be to place a tighter limit on the numbers of housing applicants awarded a high level of priority.
- 2.2 To help address the housing shortfall, other housing options are being developed in the private sector. There is already a thriving Rent Deposit Scheme, enabling applicants to access privately rented homes both in and out of Borough and a second scheme, using private sector accommodation leased by RSLs is now being implemented. With the role of the private sector housing options set to increase, another key role of the new allocation scheme is to provide a framework for distributing all the accommodation available to the Council, rather than focusing exclusively on permanent social housing.
- 2.3 A further important consideration is the Government target to halve the number of homeless households placed by the Council in temporary accommodation (currently standing at around 1,100) by 2010.

3. Proposed new scheme

- 3.1 The first and most significant change proposed is that amongst applicants with the highest level of priority for rehousing, the new scheme will give additional preference to those who are *local residents*, defined as those who have lived in the Royal Borough for a minimum of three years continuously at the time of applying. This policy will mean that applicants who are new to Kensington and Chelsea will generally have lower priority for housing and is the cornerstone of the new scheme. The policy is designed to ensure that local people benefit most from the limited resources available to the Council, while protecting others who need to be housed in RBKC for medical or welfare reasons. Over time it is anticipated that the introduction of extra priority for local residents will lead to a reduction in homeless applicants, by deterring those who cannot

meet the criteria. It is also envisaged that the combined effect of the local residents policy and the tighter definition of priority groups will achieve a more realistic balance between the number of housing applicants awarded a high level of priority and the supply of properties available for letting.

- 3.2 Secondly, the allocation scheme will challenge the perception that a homeless application offers the best route to re-housing, where possible creating active incentives for applicants to choose the Common Housing Register route. An example is the New Generation Scheme aimed at households with dependent children who meet the local resident definition and are living in overcrowded family homes, which they are now being asked to leave. The scheme will offer an alternative route to rehousing, guaranteeing an opportunity to access permanent social housing within a maximum period of 12 months, provided applicants are willing and able to remain in the family home whilst awaiting an offer. In this way, the New Generation Scheme will help to reduce both the volume of homeless applications and the number of households in temporary accommodation.
- 3.3 Thirdly, the new allocation scheme will award a higher level of priority than the current scheme to severely overcrowded households, more adequately recognising the urgency of their needs. The scheme will also allow overcrowded tenants in social housing to transfer between landlords, so increasing their chances of being rehoused. These changes will be accompanied by an extension of the Council's succession under-occupation scheme designed to facilitate moves by under-occupying tenants, thereby boosting the number of larger properties becoming available for letting.
- 3.4 A fuller description of the key proposals contained in the new allocation scheme is given in Appendix 1.

4. Consultation

- 4.1 Initial proposals for the new allocation scheme were submitted to both the Tenants Consultative Committee and Housing Associations Consultative Committee in October 2005 and no major concerns were raised.
- 4.2 The statutory consultation period will begin on 5th July and will run for 12 weeks. The draft scheme will be sent to all the organisations specified in the statutory guidance and discussion will be encouraged by presentation of the key proposals at relevant forum meetings, such as the Housing Associations Consultative Committee, Tenants Consultative Committee and Supporting People Provider

Forum. Two briefing sessions at Kensington Town Hall, open to any interested organisation, have also been arranged.

4.3 A report will be submitted to the Cabinet meeting on 28 October 2006, summarising the outcome of the consultation and seeking approval for the new allocation scheme.

5. Implementation and impact of the new scheme

5.1 The target date for implementation of the new allocation scheme is 15 January 2007.

5.2 Some initial work to assess the likely impact on housing applicants has been undertaken through the OSC Sub-Group, based on an analysis of housing activity data for the third quarter of 2005/06. This indicated that just over 50% of accepted homeless households would meet the local resident definition and would therefore benefit from the new scheme. Amongst non-homeless applicants, a higher proportion is relatively new to the local area, meaning that only about a quarter would benefit from the new scheme. These figures are helpful in confirming the initial assumptions about how the scheme will work. However a more detailed and accurate analysis will only be possible once the new scheme is in operation and the necessary information systems are in place. It is therefore proposed to commission an in-depth evaluation, 12 months post-implementation and to review the need for any alterations to the scheme in the light of the findings.

6. Conclusion

6.1 Council is invited to note the content of this report and to participate in the consultation process on the draft allocation scheme.

FOR INFORMATION

**CHAIRMAN: HOUSING, ENVIRONMENTAL HEALTH AND ADULT
SOCIAL CARE OVERVIEW AND SCRUTINY COMMITTEE**

Public background papers used in preparation of this report:

None.

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THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA
NEW HOUSING ALLOCATIONS SCHEME
SUMMARY OF KEY PROPOSALS

Proposal 1

To adopt a policy which explicitly acknowledges the gulf between housing demand and supply locally, and seeks to achieve a better match between the two by:

- Limiting the number of applicants awarded the highest level of priority; and
- Redefining the scope of the allocation scheme to include all housing resources available to the Council, including private sector options (such as the Rent Deposit Scheme), both in and out of Borough.

Comments

Priority groups will be defined more narrowly than at present and a greater differential will be built into the points scheme in favour of these groups. This will improve targeting of scarce resources as well as making the system more meaningful from an applicant's perspective: high priority means a high likelihood of being re-housed locally, within a reasonable timescale. On the supply side, the private sector is already playing a significant role in meeting local housing need and this is set to increase. The extension of the allocation scheme to cover this area of supply is therefore a logical development.

Proposal 2

To allocate in such a way that applicants with the highest priority have the widest choice of options, including permanent social housing in Borough, while those with mid-range priority have fewer choices and those with low priority are entitled to advice and assistance only.

Comments

This approach is aimed at making best use of all available resources, in a fair and consistent way that can be clearly communicated to the public. Applicants will then have a clear and realistic indication of the options open to them at the earliest possible stage in their application.

Proposal 3

To define our main priority groups as follows:

- Homeless households for whom the borough has accepted a statutory duty under Part VII of the 1996 Housing Act (as amended).

- Households containing someone with an essential need to move on health or welfare grounds.
- Severely overcrowded households.
- People placed in supported accommodation by the Council's Housing Needs Group (or the West London Contact and Assessment Team), who are now ready to live independently ("qualifying individuals").
- Existing Council or RSL tenants whose move will facilitate more effective use of social housing stock ("supply transfers"). Examples include under-occupiers willing to move to smaller accommodation and people occupying wheelchair/mobility standard accommodation they do not need.

Comments

A number of significant changes are implied by these proposals:

- Statutory homeless people will be prioritised over and above other homeless applicants and those in temporary or insecure accommodation.
- Welfare points will be introduced, ensuring compliance with the 2002 Homelessness Act and enabling an appropriate level of priority to be awarded to certain groups whose needs are not specifically addressed by the current points scheme (eg care leavers).
- A higher level of priority will be given to severely overcrowded households than currently.
- The current "qualifying hostels" policy will be replaced by the concept of "qualifying individuals" to complement the approach of prioritising local people (see Proposal 4 below).
- A more explicit policy to facilitate best use of stock will be introduced, incorporating a number of new initiatives such as an extended under-occupation scheme to increase the supply of larger properties becoming available.

Proposal 4

In determining priorities between applicants with the maximum number of points in each group (excluding "qualifying individuals"), to give *additional preference* to people who are *local residents*, defined as those who have lived in Kensington and Chelsea for a minimum of three years continuously at the time of applying for rehousing. An equivalent level of priority will also be given, in exceptional circumstances, to people who cannot meet the three-year criterion but can demonstrate an essential need to live in the Borough on health or welfare grounds.

Comments

This is a cornerstone of the new scheme and is designed to ensure that local people benefit most from the limited resources available to the Council, while protecting others who need to be housed in RBKC for medical or welfare reasons. Over time it is anticipated that the

introduction of local resident points will lead to a reduction in homeless applicants, by deterring those who cannot meet the criteria. It is also envisaged that the combined effect of local resident points and the tighter definition of priority groups will achieve a more realistic balance between the number of applicants awarded a high level of priority and housing supply.

Proposal 5

To introduce a New Generation Scheme (NGS), aimed at households with dependent children who meet the local resident definition and are living in overcrowded family homes, which they are now being asked to leave.

Comments

This is a homeless prevention initiative, aimed at a group of households who currently account for about a fifth of all homeless applications locally. The scheme will offer an alternative route to rehousing, guaranteeing an opportunity to access permanent social housing within a maximum period of 12 months to applicants who are willing and able to remain in their family home whilst awaiting an offer. In this way, the NGS will help to reduce both the volume of homeless applications and the number of households in temporary accommodation.

Proposal 6.

To remove the current distinctions between TMO transfer applicants and CHR applicants (except where there are issues specific to one or other group).

Comments

This is consistent with the 2002 amendments to the 1996 Housing Act, which require transfer tenants to be included in the allocation policy and to be treated on the same basis as other applicants.

Proposal 7

The current accruing points awarded to high priority groups for waiting time will be abolished and replaced by date order prioritisation.

Comments

The current system is unnecessarily complex and generates a large number of unnecessary queries from applicants wanting monthly updates on their points total. A date order system, of the kind already operated by the TMO for their transfer list, will be simpler and easier to administer for all concerned.

Proposal 8

The choice based lettings scheme with Home Connections will be extended and will be the main method of allocating all Council-owned properties and RSL homes to which the Council has nomination rights.

Comments

This is in accordance with the Government target for choice to become the key factor in any allocations policy adopted.

