LONDON BOROUGH OF NEWHAM

CABINET

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<th>Is it a key decision?</th>
<th>Yes</th>
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<td>Is it in the Forward Plan?</td>
<td>Yes</td>
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<td>Date report published</td>
<td>13/07/2011</td>
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<td>Date of meeting</td>
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Subject: Review of Housing Allocations Policy

Source: Environment

Wards affected: All

Purpose of Report

This report seeks Cabinet authority for Officers to consult on the key principles of the revised housing allocations policy, once clearance has been given by Counsel. The revised policy will be submitted to Cabinet for final approval before being adopted.

Recommendations

The Mayor in consultation with Cabinet is asked to note the key principles of the new housing allocations policy and authorise officers to undertake statutory consultation before the policy is finalised.

Reasons for the Recommendations

The current allocations policy was adopted in 2002 to coincide with the introduction of the Choice Based Lettings (CBL). Since this time there have been minor operational and policy changes that have required sign off at Executive Director level in line with scheme of delegations. However the proposed changes are very significant and are at the heart of the Mayoral priority to support people in and into employment. Therefore, these changes must be signed off by the Mayor and Cabinet.

An authority may make changes to its housing allocations policy for a number of reasons but in doing so there is an obligation to consult those likely to be affected by the policy change. This report therefore seeks authority to commence consultation.

The major policy change being proposed is to enable Newham to use new freedoms to encourage and prioritise employment as a way for applicants to gain affordable housing with the Council or with Housing Associations. The timing of the changes are intended to coincide with the enactment of the Localism Bill, which offers freedoms for Councils to develop their own approaches to housing allocations and
local lettings and gives Newham the chance to make necessary changes in the current consultation exercise, rather than going back with further changes after the Localism Act is in place.

The consultation period will allow for detailed work to take place on the nature and structure of the new allocations scheme. We intend to take on board and embed new approaches to the more cost effective administration of the scheme, including current work to streamline the waiting list and shift as much as possible online (especially relating to waiting list applications). Once the consultation period is ended, and the Localism Act is in place, a final proposal on the new policy and scheme will come back to Cabinet in February 2012, with the intention for full implementation by April 2012.

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Local Government (Access to Information) Act 1985
Background papers used in preparing this report:

List of enclosures / Appendices:
• Appendix One - Policy outline, prior to consultation
• Appendix Two – Equalities Impact Assessment
Report - Part A

1. Introduction and Background

1.1 A local authority is required by law to have an allocations scheme which sets out how priority is awarded and properties allocated to households on the register. Although there is a small flexibility in how local authorities must frame their allocations policy, the underlying principles are set out in section 167 of the 1996 Housing Act.

1.2 Newham’s current policy was agreed in 2002 during the adoption to the Choice Based Lettings. The current policy whilst taking into account reasonable preference recognises waiting time as a key factor in determining priority.

1.3 For the above reason, it has been a subject of legal challenges which culminated to our appeal to the House of Lords in the Ahmed case. The Council’s victory made legal history and forced a change in the law. This change in law was embraced by the coalition government under the localism bill currently at the committee stage in the House of Lords.

1.4 The housing provisions in the localism bill will:

- allow local authorities to discharge their duties to homeless people by using private rented accommodation
- give local authorities the power to limit who can apply for social housing within their areas
- improve the ability of social tenants to move to different areas.

2. Key Considerations and Sustainability

2.1 As noted in 1.3, the Council has been instrumental in bringing about the new flexibilities around the allocation of social or affordable housing. It is therefore paramount that we use the new freedom to address one of the key Mayoral priorities of making work pay.

2.2 The proposal is to prioritise employment but include housing need in deciding who to allocate a property to. Essentially the existing banding scheme will be retained but anyone who meets the employment criteria will be prioritised over applicants within the same band. Where there is more than one person meeting the criteria, the tier breaker will be the application date.

2.3 In order to take full advantage of using the new freedom to contribute to the promotion of balanced communities it is proposed that we consider, as part of the detailed working up of proposals, consider the setting aside of a proportion of properties each year to be allocated separately. For example, there is currently a small quota to allow for the rehousing of foster carers into suitable properties and it is likely that this will continue.
2.4 The third strand is to adopt local lettings plans to ensure that lettings on new developments (e.g. the Athletes’ Village) cover a wide range of households and a balanced community. These plans will also be used on a time-limited basis to address particular issues within any neighbourhood in the borough.

2.5 The Localism Bill is currently going through the House of Lords and is likely to receive Royal Assent by the end of this year. It is important that we time the introduction of the new policy with this timeline, to align the policy where necessary with the requirements of the new Act. Cabinet approval is being sought to enable officers to progress the other necessities before the new policy is introduced. The draft proposals are currently with Counsel, subject to his advice and Cabinet’s consent officers will commence consultation by September 2011.

2.6 The outcome of the consultation and other changes from the Localism Bill becoming legislation will be taken into account in finalising the policy. This will be referred back to cabinet for consideration in February 2012 (in line with Localism Bill/Act time-line)

3. Service Delivery and Performance Issues

3.1 We do not have comprehensive data on the number of people on the register who are working. This is because there is currently no advantage to the individual for declaring this information. In readiness for the new policy, questionnaires will be sent to every household on the register to ascertain their employment status.

3.2 Officers are also taking the opportunity to review the information we give to customers in order to ensure that new policy is reflected and that greater emphasis is placed in promoting other self help housing options in line with the Council’s resilience agenda.

4. Comments of the Finance Officer

4.1 There are no immediate Financial consequences from changing the allocation policy. There may be a financial impact in the longer term if the policy enables the Council to have greater flexibility in lettings policies. This could lead to a change in the level of rent arrears, or the number of tenants in work or tenants in receipt of Housing Benefit.

5. Comments of the Legal Officer

5.1 Under S.105 of the Housing Act 1985, local authorities must consult with those of their secure tenants that are likely to be substantially affected by matters of housing management. Changes to the way in which a local authority allocates its housing accommodation is caught by the provisions of s.105 so that consultation is required.

5.2 Consultation may also be required with Registered Social Landlords under S..167(7) of the Housing Act 1996. The section requires a local housing
authority to consult with such providers before adopting an allocation scheme or making alterations to the scheme that reflect a major policy change. Prioritising employment in the allocation of housing is likely to constitute a major policy change.

5.3 The decision required is one that can be made by the executive under Local Authority (Functions and Responsibilities) Regulations and the Council’s Constitution.

6. **Risk Management**

6.1 The key risk in any allocations policy is legal challenge which has cost and reputational implications.

6.2 The risk is being managed by ensuring that legal advice is sought in all stages in the development of the policy.

7. **Consultation**

7.1 The Lead member and Deputy Mayor- Cllr Andrew Baikie has been consulted in drafting the proposals. The authority being sought is to roll out the consultation in line with statutory requirement.