

Executive

## Housing Allocation Scheme for Central Bedfordshire

**Report of:**

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**This report relates to a decision that is Key**

### Purpose of this report

The purpose of this report is to seek Executive approval to formally consult upon the proposed changes to the Council's Housing Allocation Scheme. The report considers the options for the allocation of Social Housing in Central Bedfordshire and sets out, within the draft Scheme, proposed amendments which will alter the priorities for access to Social and Affordable Housing in Central Bedfordshire.

### RECOMMENDATIONS

The Executive is asked to:

1. **consider the proposed changes to Central Bedfordshire's Housing Allocations Scheme for Social and Affordable Housing and to note the content of the revised draft Scheme (set out in Appendix A);**
2. **to agree the proposed consultation arrangements and to authorise the Director of Social Care, Health and Housing to commence a public consultation on the proposed Housing Allocations Scheme for Social and Affordable Housing to ensure that Members, residents, relevant agencies/organisations and other consultees are consulted on the proposals; and**
3. **authorise the Director of Social Care, Health and Housing, in consultation with the Executive Member for Housing and Assets, to review the results of the public consultation and consider what changes shall subsequently be proposed to the Housing Allocations Scheme for consideration by the Social Care, Health and Housing Overview and Scrutiny Committee and, in due course, by the Executive.**

## **Overview and Scrutiny Comments/Recommendations**

1. The options for the Allocation of Social Housing in Central Bedfordshire will be presented to Overview and Scrutiny Committee on 22<sup>nd</sup> November 2021 as part of the formal consultation. All recommendations and comments will be taken into account before final proposals for a Draft Allocation Scheme.

## **Executive Summary**

2. There are over 14,000 social and affordable rented homes in Central Bedfordshire, of many different sizes, and many are adapted for the needs of their tenants. These homes are provided by the Council and Housing Associations with the majority being available on a social rent basis, whilst an increasing number of these homes are available on an affordable rent basis at up to 80% of market rent. Rent differentials between these two models are an emerging issue. These homes are an immensely valuable resource that enables the Council to meet local housing need (circa 100 applications per week) and respond effectively to homelessness pressures which during 2020 and 2021 are circa 45 approaches per week. This demand pressure, which comprises a diverse range of households with many different needs and requirements, is substantial and unabating, mainly because the affordability ratio locally (price to income ratio) has increased from circa 6:1 in 2014 to circa 9:1 in 2021. Central Bedfordshire remains an area of high demand and relative unaffordability, despite the extent of growth development locally.
3. Since 2014, the Council has allowed access to the Housing Register only to those households who are unsuitably or unsafely housed; or are in housing need for a particular legally defined reason, although there is currently an exception of older people who are prioritised according to need, enabling them to access low demand properties. Since 2014, the Council has (in the great majority of cases) required prior residence in Central Bedfordshire as a qualification requirement to join the Housing Register. There are other qualification requirements detailed in the Housing Allocation Scheme which have the effect of giving priority for these circa 14,000 rented homes to local people who are in housing need.
4. The Council's well-established and comprehensive approach to managing housing demand ensures that this valuable resource of accommodation, provided by the Council and Housing Associations is available to respond to people in housing need. Importantly, Central Bedfordshire Council is under a legal obligation to operate a fair and transparent system for the allocation and occupation of these circa 14,000 rented homes. Inevitably, the assessment and differentiation of need is the basis of prioritisation and is central to the Allocation Scheme. The systems and processes to enable customers to apply to the Council are well established and digitalised. In 2014, the application processes were greatly simplified to reduce administration cost and to lessen the extent to which "hair-splitting differentiation" between applicants with similar needs was taking place. Importantly, the deciding factor between applicants within each priority band in this updated Policy remains the date order of application.

5. Whilst significant progress has been made to simplify processes and systems from a customer perspective since 2014, the Council's assessment processes remain sophisticated, so as to match the right person with the right property at the right time. This "matching" of people and properties, whether through choice-based digitalised processes, or on a planned basis that encourages "chains of moves" remains the overarching objective. The imperative is always to optimize the benefits that are secured from the affordable housing resource of circa 14,000 homes. The Central Bedfordshire Housing Allocations Scheme remains a hybrid system, that plays to the strengths and flexibilities of a Choice Based lettings scheme where there is transparency, and the customer is afforded choice. These benefits are coupled with the benefit of enabling direct intervention (i.e. through transfers and direct lets). Not more than 40% will be let through the direct letting established nomination processes. The Hybrid approach creates the opportunity for the best use of both systems allowing choice for those in housing need and enabling action to be taken when households are in need of an essential move and the move is in the wider public interest.
6. Whilst the Housing Allocation Scheme has been subject to a fundamental review and has been updated, the Scheme proposed itself is not radically different to the Scheme that was adopted in 2014. Its fundamental attributes and its main features remain the same. The fact is, the Scheme is successful and has stood the test of time. There are proposed changes to the Scheme, but they are designed to ensure the Scheme remains effective for another 7 years (up to 2029), in the face of unrelenting demand pressures and other newly emerging challenges.
7. Residents are well-served by the Housing Allocations Scheme for two main reasons. The scheme is cost effective and there is an emphasis upon matching people to properties at the right time, thereby to ensure the optimal efficiency of the scheme. These attributes are beneficial to those households in need, enabling them to benefit from the opportunity to secure a home within a reasonable period of time. Indeed, the current average timescales for occupancy of Transitional Accommodation is 26 weeks, prior to a household securing permanent settled accommodation. This tell-tale sign alone is evidence that the system for making accommodation available is functioning reasonably well – in the face of substantial demand pressures – and that local residents are reasonably well served by a system that is fit for purpose.
8. The recommended Scheme is the continuation of the approach devised and approved by Executive in 2014, with some important changes. These changes are detailed in the report, but importantly the Housing Allocations Scheme introduces the scope to make greater use of Local Lettings Policies (LLP) to achieve particular objectives. For example, there is a LLP for those sites identified within the Central Bedfordshire Local Plan in relation to Plan Policy SP1 (see Appendix B). For example, it is likely that LLPs will be developed for town centre affordable housing schemes like the Vernon Place scheme in Dunstable which is being devised to be car-free and to be sustainable for locally employed people in Dunstable. Over time, a range of innovative LLPs are likely to be introduced and adopted which provide for greater flexibility to let/allocate to particular schemes, whilst still being part of a fair and transparent Allocation Scheme in overall terms.

This balance of fairness and flexibility is especially important if the Council is to continue to optimise the efficiency and effectiveness of the Housing Allocations Scheme and is to maximise the benefits that are achieved.

9. The impact of the recommended approach is that demand will continue to be well managed and the strategic objectives that are set out below are likely to be achieved, even though housing demand pressures such as those we see in the South of Central Bedfordshire and Dunstable in particular will continue to be concentrated. The system is imperfect, yet the proposed Housing Allocation Scheme is fit for purpose, to match people with the right property for them, at the appropriate time, and to do so within a system that is fair and transparent for all residents who are in housing need or unsuitably housed. Whilst there are challenges to be addressed in the future, the Allocations Scheme affords the scope for continued innovation in the use of LLPs that will stand the Council and partners in good stead to be able to bring forward new schemes which are innovative, where a particular lettings profile can and should be achieved to ensure the sustainability and success of particular kinds of new affordable housing schemes.
10. The approach taken can reasonably be summarised as a tried and tested “what works best” approach, coupled with the scope for continued innovation to achieve specific policy objectives through the use of Local lettings Policies.

## **Strategic Objectives**

11. The strategic objectives for the Council to achieve through the Housing Allocations Scheme are as follows:
  - Create successful, sustainable communities, with a particular focus upon mixed-tenure, inclusive and balanced communities in socio-economic terms. Specifically, to mitigate against area-based deprivation and to support social mobility, by improving people’s life chances.
  - To support the successful and sustainable delivery of Growth in Central Bedfordshire, including opportunities to promote innovative housing schemes that are intended to achieve particular objectives (e.g. LLPs for car-free schemes within town centres which benefit from highly sustainable transport infrastructure).
  - Support partners in the successful delivery of new affordable housing, enabling their properties to be allocated and let on a timely and cost-effective basis. To also support effective neighbourhood management and to resolve problems at the earliest opportunity by working closely and collaboratively with partners.
  - Meet local housing need and be effective in managing demand pressures, including homelessness and to support a range of casework objectives whether related to health or disability; to community safety or domestic abuse or children leaving care. Specifically, to enable vulnerable people to live independently and to promote social inclusion through the effective letting and management of schemes which promote independence and enable residents to improve life-skills and their quality of life.

- Actively promote Equality and to be inclusive in terms of promoting access to safe and settled/secure accommodation. This includes interventions to avoid the creation of poverty traps and/or benefit dependency, such that social mobility is being promoted proactively to benefit residents and the wider community.
- Support homelessness prevention and other social policy outcomes which are relevant to other Council-led objectives and legal obligations, including regeneration schemes, the development of Independent Living schemes, and to support Children and Young People to live independently within the scope of the Council's corporate parenting responsibilities.

## **Celebrating Success**

12. Central Bedfordshire Council adopted the current Housing Allocations Scheme in 2014. At the time, it was a ground-breaking Policy which seized the opportunities afforded by the Localism Act 2011 to manage local demand pressures more effectively and to achieve the strategic objectives that are alluded to above (paragraph 14). This report does not detail the specific changes that were introduced but instead points to the impact and outcomes that were achieved, as a result of the Localism Act freedoms:

- Rightsizing is now well established as a mainstream approach to enable the Council and its partners to make best use of stock, through "chains of moves" and matching people to properties that enable additional benefits to be achieved.
- For the Customer, the allocations approach was simplified (there is no longer a paper application form that is 30 pages in length) and, even though the assessment processes remains sophisticated (to ensure legal compliance), the process is relatively straightforward for applicants and understood by the great majority. YouTube videos are widely used to provide guidance, instruction and good quality housing advice.
- Local priority for housing was greatly strengthened by the introduction of prior residence criteria, including 3 years residence for non-working households.
- Employment priority ensured that working households were prioritised for housing over non-working households, which has incentivised employment and encouraged social mobility. This has a wider equalities benefit.
- The introduction of an Annual Lettings Plan and Quota lettings for marginalised households has strengthened the planned-casework approach, such that chains of moves are more common (meeting multiple household's needs) and overall, there are interventions as and when required to achieve specific outcomes, within the scope of a system that is fair and transparent overall. The "hybrid nature" of the Allocations Scheme is a particular success, taking the best features of both the CBL (choice-based lettings) approach and a direct-lettings approach.

- Central Bedfordshire Council has, in overall terms, been highly effective in meeting housing need. This particular success is not solely due to the Allocations Scheme but is the result of a comprehensive approach to demand management. Despite stress and pressures in the local housing market, the Council have continued to meet need successfully and have responded to homelessness pressures by strengthening the approach to prevention, realigning investment from waste-work to value work and in operational terms, being able to intervene at the earliest possible opportunity. It is the prevention culture that is rooted in early intervention that will stand the Council in good stead for the future.
- The Council was successful in being able to respond to the challenges of welfare reform, enabling people to move to accommodation they could afford, and which is sustainable in the longer term.
- The Homelessness Reduction Act was successfully implemented in 2018 and was embraced by the Housing Service and partners. The new duties arising from the Homelessness Reduction Act included the prevention of homelessness. Whilst the Allocation Scheme itself does not solely provide the tool for homelessness prevention (or relief), in fact there is a substantial diversity of accommodation outcomes used to prevent homelessness, the Scheme does allow, through its hybrid process, a tool to respond to those households in urgent need who have limited alternative accommodation options. This is particularly true for households with mobility requirements and for larger or unemployed households who are being priced out of the private rented sector.

## **Future Challenges**

13. There is further work to do to counter the “ripple-effect” that is described in this report in relation to demand pressures in the south of Central Bedfordshire. Homes need to be built within areas that allow families to remain together and for households to remain within their current support networks. The transposing of these households puts pressure on other public systems to ensure the continuation of support, care, health and education needs. The problems created by the “ripple-effect” give rise to sustainability issues.
14. There is also a future challenge to manage what is increasingly a bifurcated housing system, in terms of two rent systems where the differential in rent is significant and can give rise to poverty traps. These problems are very likely to exacerbate over time and will require innovative solutions that are outside the scope of this report, which may include means-testing and other sophisticated assessment processes.
15. Housing is a valuable resource. Every letting should be to the right person at the right property, at the right time. This philosophy is essential if CBC is to remain effective at managing housing demand. Social and affordable housing must be allocated to those most in need and the stock held by Registered Providers in Central Bedfordshire should be regularly reviewed to ensure that it is fit for purpose.
16. Throughout the previous 18 months, and as a direct impact of the COVID19 pandemic, the Council has seen an increase in housing demand through both homelessness and those wishing to access more affordable accommodation.

The type of households requiring assistance is also changing with increased approaches from single persons households, and households who include persons with multiple identified support needs either due to physical or other health needs.

## Options for consideration

17. The full summary of proposed changes is set out in Appendix C, however the paragraphs below detail the main changes being proposed and the reasons for those proposals;
18. **One Housing Register; One Allocation Scheme** – the current housing allocation scheme includes relaxed criteria for people over the age of 50 where they can only bid on accommodation for older people. In 2014, there were pragmatic reasons to allow this approach to continue, given the Policy was introducing far-reaching change. This in effect created two housing registers: one for general needs and one for older persons. The proposed changes are to amalgamate the criteria for general, older persons and independent living thereby creating one housing register. The changes will provide a stronger mechanism for ensuring that older residents with care needs are able to access independent living accommodation and that other homes currently advertised for older people can be made available to residents of any age who have mobility issues/need for ground floor/level accommodation. Over time, schemes will become multi-generational.
19. **Making Fair Assessments** – changes are required to ensure that those wishing to access social housing are fairly assessed against peers and to verify that only those with the capacity to understand what it means to have a tenancy can qualify for social housing. This includes all applicants who are assessed as overcrowded whether it be through 'statutory overcrowding (The Housing Act 1985) or determined 'overcrowded' through assessment (Housing, Health & Safety Rating System – The Housing Act 2004) to be awarded with equal housing priority.
20. **Affordability (income and savings thresholds)** - New income and savings thresholds are proposed (set out in Appendix D) for those wishing to access social housing, and independent living. These thresholds will be reviewed on an annual basis and updated income and savings thresholds will be published in the Annual Lettings Plan. Low paid were previously included in the Allocation Scheme, this was before the Homelessness Reduction Act 2017 was made law. The strong prevention culture within our Housing service saw a 42% increase on successful outcomes in 2020/21 (residents assisted to remain in their homes or helped to find new accommodation) compared to the previous year. Therefore, it is prudent to move to a position where all applications for social housing are assessed on their income and provided with advice and support if affordability issues are evident, thereby ensuring households are assisted to remain within their current homes.

21. **Giving priority to people living in Central Bedfordshire** – The Localism Act 2011 introduced changes in legislation which gives Local Housing Authorities greater freedom and flexibility in determining who can apply for social housing. In 2014 the Housing Allocation Scheme introduced, specific criteria for an applicant to have been resident in Central Bedfordshire for 3 years to qualify for access to the housing register. This criterion was introduced to strengthen the requirement for a local connection to Central Bedfordshire, so as to make best use of the social housing resource, to benefit residents of Central Bedfordshire who are in housing need. The introduction of the Homelessness Reduction Act 2017, and updated case law since 2014 reinforced the Council's continued duty to those households with a reasonable preference category irrelevant of the local connection.
22. Therefore, applicants who qualify for reasonable preference (The Housing Act 1996) currently receive the same priority for housing irrelevant of their residence locality. The proposed changes will give greater priority to those who are residents of Central Bedfordshire whilst still providing access to the register to those who are not residents thereby ensuring that statutory obligations of reasonable preference are met. The proposed changes will also ensure that those who live outside of Central Bedfordshire who qualify for reasonable preference on the grounds of overcrowding provide confirmation of overcrowding from their own local authority.
23. **Helping vulnerable people and their families** – Quotas are provided in the Annual Lettings Plan to determine the percentage of lettings that will be made available to specific cohorts both through a Choice Based Lettings system and through Direct Allocation. For those households who are in immediate or serious danger in current their current accommodation a direct allocation of safe permanent accommodation will be made. Other proposed changes include a provision so that families waiting for a long time for houses with 4 bedrooms to become available are enabled to move to a bigger property than they currently reside in, if they choose, to relieve their immediate overcrowding. i.e. a household with a 4 bed need residing in a 2 bed property will be enabled to move to a 3 bedroom house until they are successful in bidding for a 4 bedroom property.
24. **Armed Forces Personnel** - All applications will be accepted from current and former members of the regular and reserve Armed Forces if they apply within 10 years of discharge. Statutory guidance requires local authorities to exempt armed forces personnel from any residency requirement for up to 5 years following discharge, however Central Bedfordshire Council have extended this provision to 10 years.

## **Reason/s for decision**

25. Formal consultation on the draft Housing Allocations Scheme is an important stage of policy development, to ascertain the views of stakeholders, other organisations, the public and, in particular, the views of those households applying for social and affordable housing locally. Whilst the Allocation Scheme itself is consistent with the Scheme adopted in 2014 and therefore is well-tested in terms of its effectiveness, the Scheme does also propose important changes, including the use of Local lettings Policies, where consultation could result in those policy changes being improved or potentially rejected.



26. The review of the Housing Allocations Scheme is timely, mainly because the Central Bedfordshire Local Plan was recently adopted. More importantly, the Scheme was last considered by Executive in 2014 and therefore a review of the Scheme (by Executive and through the Overview and Scrutiny process) is timely to ensure it remains fit for purpose and that opportunities for innovation are not missed. This is especially important given that the housing demand pressures locally are substantial, as are homelessness pressures.

## **Council priorities**

27. The Housing Allocations Scheme enables the Council to be efficient and responsive, in managing housing demand. This is especially evident in terms of cost avoidance, where the Allocation Scheme is the policy basis upon which all activity related to homelessness pressures and meeting the needs of vulnerable households takes place. If demand pressures were not proactively managed and, without there being a fit for purpose policy in place, there would be costs to the Council that could reasonably be mitigated or avoided entirely. Importantly, residents would experience greater difficulty in securing affordable, permanent settled accommodation.
28. The Housing Allocation Scheme supports stronger communities by enabling people to live, for the most part, where they chose to live and in close proximity to their families, friends, jobs and schools. Through a combination of the Council's choice based letting scheme, planned moves and also quota-lets enabled by the Council's Annual Lettings Plan, people are able to live in accommodation which they can afford and sustain, contributing to and building relationships within their local community.
29. The Housing Allocation Scheme improves wellbeing in terms of access to good quality secure accommodation and protects vulnerable people, especially those who experience unsettled accommodation, or experience poverty or homelessness due to their disability, poor health or social exclusion. There is increasing evidence that the local housing system is essentially enabling access to the most vulnerable households as a result of the use of planned moves and quota lets, within the scope of the Annual Lettings Plan. This includes young people leaving care, people with mental health problems and those with chaotic lifestyles. The emphasis upon planned moves, alongside the benefits of a choice-based lettings (CBL) scheme for the majority of lettings, fully justifies the approach taken in 2014 to move to a hybrid approach, whereby a ratio of approximately one third to two thirds of lettings is maintained, over time, between planned moves/quota lets and those via CBL. This approach, coupled with a prevention culture and early intervention, remains the bedrock of what is a sophisticated and proactive approach to demand management.

## **Corporate Implications**

30. The proposed changes to the Housing Allocations Scheme support several Council agenda, mainly in terms of effective casework to achieve positive outcomes as a result of re-housing activity where people are unsafe or at risk of harm. This can include those persons who experience domestic abuse or other risks that arise in terms of a diverse range of community safety issues.

As important, there are many opportunities that arise through casework to improve the quality of a person's life or make a person more enabled in their home (to overcome a disability) or to effectively manage community cohesion issues. Examples include care-leavers and planned moves to promote a person's health or to overcome particular problems related to mobility. The extent which casework is part of everyday operations – in particular the casework involved in relieving homelessness – should not be under-estimated. Through the use of planned moves, as well as the creation of "chains of moves" within the scope of the Annual Lettings Plan, and through the use of quota lets, the Council is able to achieve good outcomes across a broad spectrum of casework. These casework interventions are happening across every agenda in which the Council and our partner organisations are providing services or managing risk. This includes the Police, Probation Services and the National Health Service.

31. The processes for Housing Register applications and Allocations are digitalised and are electronic from an end-to end perspective. Whilst the existing systems can be improved through innovation and customer feedback, a key objective is to enable 100% of customers to self-serve without any need for them to directly contact the Council. There are several YouTube-style videos available on the Council's website which are the mainstay of the Council's Housing advice offer. This advice-offer can and will continue to be strengthened as the quality of information provided to customers enables people to make well-informed choices about their housing circumstances. Our aim remains to end the need felt by many customers to contact the Council by telephone and ask where they currently stand. This channel shift away from telephony contact remains an important objective that is still to be fully realised.
32. Inevitably, customers are bidding for a home and they have a good idea of how close they are to being successful. Over time, it is envisaged that 100% of contact with the Council that is related to Housing applications and the associated processes will be fully automated and will require only the minimal involvement of a Housing Officer, other than for processes related to the assessment of need. Importantly, over time, even this requirement will diminish through an increasing shift towards self-assessment processes which are self-validating, for example on affordability. Having made this important point, it is important to note that housing fraud remain a concern and it is not uncommon for applicants to misrepresent their circumstances.
33. Therefore, the design of systems and continued innovation will balance the benefits of lean administration with the requirement to safeguard a valuable resource (i.e. affordable housing) for those people who are in greatest need.

## **Legal Implications**

34. The allocation of housing accommodation by local housing authorities (LHAs) is regulated by Part 6 of the Housing Act 1996 (HA 1996). The Council is required to have a scheme for determining priorities and the procedure to be followed in allocating housing accommodation, including all aspects of the allocation process and the persons or description of persons by whom decisions are taken. The Council operates a Housing Allocations Scheme by way of compliance with this requirement.

35. Generally, a LHA must not allocate housing accommodation except in accordance with its Housing Allocation Scheme. Subject to certain statutory exceptions, a LHA must allocate accommodation in accordance with its Scheme when the LHA:
- Selects a person to be a secure or introductory tenant of housing accommodation.
  - Nominates a person to be a secure or introductory tenant of housing accommodation
  - Nominates a person to be an assured tenant or assured short-hold tenant of housing accommodation held by a Private Registered Provider.
36. For allocations falling outside the requirements of Part 6 of the Housing Act 1996, the council will need to have other policies governing those arrangements. In formulating or amending their Housing Allocation Scheme, a LHA must have regard to:
- Its current homelessness strategy and
  - Its tenancy strategy.
37. LHAs must also have regard to guidance issued by the Secretary of State. The proposed changes to the Council's Housing Allocation Scheme take account of the latest guidance.
38. Although the Housing Act 1996, as amended by the Localism Act 2011, gives LHA's broad discretion to determine what classes of person will be considered as qualifying under the Scheme and to determine relative priorities between qualifying applicants, there are requirements to give reasonable, and in some defined cases, additional, preference to certain categories of people. A LHA cannot disqualify persons who fall within one of the classes of person for whom a reasonable preference must be secured under the Scheme.
39. LHA's may also frame the Scheme so as to give "additional preference" to other particular descriptions of persons with urgent housing needs. Where the council makes provision for additional preference going beyond legal requirements, this must be justified.
40. The Council's Housing Allocation Scheme must also comply with the Regulatory Framework for Social Housing in England, published by the Regulator for Social Housing, under which registered providers of social housing (the Council being a Public Registered Provider) are required to let their homes in a fair, transparent and efficient way, taking into account housing needs and aspirations of tenants and potential tenants, making the best use of available housing, compatible with the purpose of the housing and contributing to local authorities' strategic housing functions and sustainable communities.
41. The Council's proposed Housing Allocation Scheme also includes reference to the creation of Local Lettings Policies and specifically creates a Local Lettings Policy in respect of the SP1 sites from the Local Plan. Section 166A (6)(b) of the Housing Act 1996 enables LHAs to allocate properties to people of a particular description, whether or not they fall within the reasonable preference categories.

This enables the Council to create Local Lettings Policies which set out the circumstances in which other groups of people may be given priority for available properties.

42. This report sets out a number of proposed changes to the current Housing Allocation Scheme. Section 166 A (13) of the Housing Act 1996 requires a LHA to send a copy of proposed alterations of a scheme that reflect major policy changes, before taking a decision on the proposals, to every private registered provider of social housing and registered social landlord with which it has nomination rights and afford those persons a reasonable opportunity to comment on the proposals.
43. Consultation should also be carried out with those likely to be affected by the proposed changes to the allocation scheme and the report identifies how and with whom the Council will be consulting.
44. To meet legal requirements consultation must be undertaken when proposals are still at a formative stage; it must include sufficient reasons for the proposals to allow interested parties the opportunity to consider the proposal and formulate a response; it must allow adequate time for interested parties to consider proposals and formulate their response and the outcome of consultation must be conscientiously taken into account when the ultimate decision is taken.
45. A policy refresh during 2021 is timely, given that the most recent comprehensive overhaul was in 2014. Indeed, the review of the Scheme was deferred to align with the process for the Local Plan adoption to ensure a proper read-across to the Local plan policies, in particular Policy SP1. When eventually adopted, there will again be a delegation of authority to the Director of Social Care, Health and Housing, in consultation with the Executive member for Housing and Assets, to update the Scheme where to do so is in keeping with the intent of the policy that is eventually adopted by Executive. That intent is described within this Executive report and will guide any future revision or updating of the Scheme, under delegated authority.

## **Financial and Risk Implications**

46. There will be a financial cost associated with implementing the changes to the Allocations Policy in relation to updating the ICT to reflect changes, and the provision of new online application forms for housing register and independent living homes. There will also be staff resource requirement in relation to reviewing and amending the banding of applicants and notifying applicants of changes. It is anticipated that when the policy goes live it will generate a significant increase in queries for a short period of time. Temporary compensatory efficiencies will be identified to enable this additional work to be undertaken, without distorting the current Medium Term Financial Plan (MTFP) efficiency programme.
47. The new Housing Register which has a greater focus on suitable accommodation in the right location (right person, right time, right place) and the online application and document submission process will, over time, improve greater value for money in line with the existing MTFP efficiency programme.

Thereby enabling existing resources to be freed up from processing applications to assisting people into successful and sustainable tenancies. This will in turn ensure greater resilience for the Council in meeting the continued growth in housing demand.

48. In updating the Allocations Policy to ensure it remains fit for purpose, the Council seeks to maximise the efficiency of the lettings process for social housing in the Council area. This reduces the risk that the Council will need to procure private Transitional Accommodation, which is a direct cost to the General Fund. This has been a particular success for the Council in recent years, with a reduction in net expenditure from a peak of £1.241M in 2017/18 to a forecast of £0.01M in 2021/22.
49. An effective and efficient allocations system also assists with the Council's Homelessness Prevention activity, another direct cost to the General Fund. Whilst the additional requirements of the Homelessness Reduction Act have increased expenditure on these services, there would be a significant additional cost if processes surrounding the administration of the Housing Register failed to prioritise those in greatest housing need and manage demand.

## **Equalities Implications**

50. The Equality Act 2010 (the "Act") provides protection from discrimination in respect of certain protected characteristics namely: age, disability, gender re-assignment, pregnancy and maternity, race, religion or beliefs and sex and sexual orientation. It places the Council under a legal duty to have due regard to the advancement of equality in the exercise of its powers. In particular, the Council must pay due regard to the need to:
  - eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act
  - advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
  - foster good relations between persons who share a relevant protected characteristic and persons who do not share it
51. Due regard must also be given the Public Sector Equality Duty (PSED) in section 149 of the Equality Act 2010 that requires the council to consider all individuals when carrying out their functions; this includes changes to policy. The duty requires that due regard be given to the need to eliminate discrimination, advance equality of opportunity, and foster good relations between different people. Specifically, the following protected characteristics must be given due regard - age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. The PSED also applies to marriage and civil partnership, but only in relation to the need to eliminate discrimination, harassment and discrimination.
52. The proposed changes to the Allocation Scheme are compatible with the Council's equality duty and with the Equality Act 2010 and the Scheme will be subject to a full Equalities Impact Assessment before its adoption.

53. The proposed changes to the Allocation Scheme are not specifically aimed at individual groups but are rather aimed at ensuring the continued access to housing for those most in need. The Allocation Scheme is underpinned by the 'hybrid' approach recognising that a person centred approach is required to ensure that vulnerable households are supported into suitable, affordable and sustainable accommodation.
54. The Housing Allocation Scheme is a tool aimed to assist in meeting the housing needs of all applicants and taking account of specific needs related to age, disability, gender re-assignment, pregnancy and maternity, race, religion or beliefs and sex and sexual orientation.
55. The Council is legally required to monitor and review the proposed changes after implementation to check they work as planned and to screen for unforeseen equality impacts.

## **Sustainability Implications**

56. The Sustainability agenda is especially relevant to the Housing Allocations Scheme because the principle of "best use of stock" underpins the demand management approach and supports regeneration, whilst the delivery of new affordable and social housing has significant resource implications. Therefore, the principle of best use of stock, including practical examples like the Rightsizing approach and encouraging mutual exchanges, is a mitigation of the number of new homes that are required. The balance to be struck is a sustainability choice. Managing demand effectively, in line with the principle of right homes – right people – at the right time, is ultimately more sustainable. Enabling people to live in close proximity to their places of employment, close to their families and friends, and close to the support networks including schools, is far more sustainable.
57. The key issue that mitigates against sustainability (from the perspective of the Allocations Scheme) is the ripple-effect, whereby those households in greatest need, living in areas where there is the least quantum of affordable housing supply relative to demand (e.g. Dunstable) are typically moving to new development, often out of their local area. This "ripple-effect" presents significant challenges and has been examined by the Social Care Health and Housing Overview and Scrutiny Committee in March 2019 and March 2020.
58. There are wider social benefits than can be secured by enabling households to remain living in the areas where they have strong local connections. Fundamentally, the approach strengthens local communities and family relationships. Relationship breakdown is less likely, as people are enabled to support each other. The cost of living is generally lower, as people travel less and they can have support with childcare, often in close proximity to their place of employment. The benefit of enabling people to remain within or close to their established communities impacts upon a range of sustainability themes, from transport emissions to educational attainment to eliminating poverty and hunger. These benefits should not be underestimated, not least the fundamental benefit which is quality of life.

## Consultation Proposals

59. The general principle derived from case law as to how consultations should be conducted, known as the 'Gunning principles' are; consultations should occur when proposals are at a formative stage; consultations should give sufficient reasons for any proposal to permit intelligent consideration; consultations should allow adequate time for consideration and response. There must be clear evidence that the decision maker has considered the consultation responses, or a summary of them, before taking its decision.
60. The key principle of the proposed consultation on the new Housing Allocation Scheme will be to include all the council's communities, using a range of methods to provide as many residents as possible with the opportunity to engage. The consultation will use a mix of traditional methodologies and newer methods such as online consultations in order to allow a wider range of residents to participate. In relation to consultation with external stakeholders a questionnaire outlining the Council's recommended changes, as well as specific questions will be sent to external partners including registered providers of social housing and representatives from the voluntary and community sector.
61. There will be a consultation period which is planned to commence on 27<sup>th</sup> October 2021 and end on 19<sup>th</sup> January 2022. This period is 12 weeks and can be extended if required.
62. As part of the formal consultation process Social Care Health & Housing Overview and Scrutiny will be formally consulted at its meeting on the 22<sup>nd</sup> November 2021.
63. Where possible, questions that arise during the consultation period will be responded to before the end of the consultation. All consultation feedback will be collated and analysed whilst preserving individual confidentiality.
64. The response to the consultation will be used to compile a report for the Executive in Summer 2022 with a further revised Housing Allocations Scheme for Social and Affordable Housing. This report will be considered by the Social Care Health and Housing Overview and Scrutiny Committee prior to consideration by the Executive.

## Conclusion

65. The Localism Act 2011 afforded local authorities with the responsibility and greater scope to respond to local housing demand and to meet locally arising need in ways that had not been possible, previously. Those changes were ground-breaking in 2014 when Central Bedfordshire Council adopted an Allocations Scheme which several stakeholders had reservations and concerns about. The Scheme has evolved since 2014, in line with the Executive's original intent and its fundamental mechanisms and policy levers remain fit for purpose.

The proposed Allocation Scheme will continue to evolve, taking account of case law and statutory guidance, yet importantly this scheme will enable the Council to remain effective in meeting local need, within a comprehensive approach to demand management that includes the delivery of affordable and social housing; a commitment to making the best use of stock; Rightsizing; and a strong prevention culture that makes best use of accommodation available in the private rented sector to respond to homelessness pressures.

66. This proposed Housing Allocation Scheme will enable the Council to improve its local 'Housing Offer' and thereby achieve 'right house, right person at the right time' which has been, over time, a strongly articulated theme of the Social Care, Health and Housing Scrutiny Committee. Whilst "meeting need" is the overarching objective of this scheme, the development of Local Lettings Policies within this scheme, linked to the Council's well-established Annual Lettings Plan, will have the effect of also improving social mobility; and supporting wider agenda including community safety objectives and responding effectively to domestic abuse; and reducing area-based deprivation. The Allocations Scheme sets an important Policy position, yet it is brought to life by the proactiveness and intelligence that is well-established within the comprehensive demand management approach. Every facet of that approach is important and this Policy, were it to function in isolation, would not achieve very much. The fundamental "must-do" remains the twin-track approach which is the continued delivery of affordable housing and making best use of stock, especially in towns where homelessness and the demand pressures are most concentrated. This must be coupled with the continuation of a prevention approach based on early intervention.

## **Appendices**

Appendix A: Draft Revised Allocation Scheme

Appendix B: Local Lettings Policy SP1 Sites

Appendix C: Consultation document. Summary of proposed changes

Appendix D: Income and Savings Thresholds

## **Background Papers**

The following background papers, not previously available to the public, were taken into account and are available on the Council's website:

- (i) Central Bedfordshire's Local Plan 2015 - 2035

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