

Report of	Meeting	Date
Director of Customer and Advice Services (Introduced by the Executive Member for Customer and Advice Services)	Executive Cabinet	18 <sup>th</sup> February 2016

## **SELECT MOVE – PILOTING THE PROPOSED AMENDMENTS TO THE SELECT MOVE ALLOCATION SCHEME**

### **PURPOSE OF REPORT**

1. To inform members of a number of proposed changes to the operation of the Select Move Allocation Policy received from the main Registered Providers (RPs) within the Select Move Partnership operating in the Chorley area.
2. To seek formal approval of the Council's consultation response as outlined in Para's 19-24.

### **RECOMMENDATION(S)**

3. That the Executive Cabinet approves the consultation response relating to the policy amends that are being piloted.

### **EXECUTIVE SUMMARY OF REPORT**

4. Each Local Authority is required to publish an allocations policy under Part VI of the Housing Act 1996, and the policy should demonstrate how the Local Authority will coordinate access to social housing in its area. Select Move is a partnership including the three Central Lancashire councils (Chorley, Preston and South Ribble) and nine housing associations which operate in the area. The Select Move Common Allocations Policy fulfils Chorley Council's Part VI obligation.
5. In conjunction with the agreement to pilot up to a 25% reduction of advertised properties within the Select Move Scheme. It has also been necessary to review the Allocations Policy to reflect the aims of RPs, which are, to modernise Select Move so that it continues to provide a CBL system that meets the requirements of partners and users.
6. Before permanently committing to the agreed changes all Partnership members have agreed to join Chorley in a 6 months pilot, which commenced on the 4<sup>th</sup> January 16 and will finish 30<sup>th</sup> June 16. Chorley Council's decision to enter in to a nine month pilot was made with the three RPs operating in Chorley via an EMD on the 15<sup>th</sup> October 2015. Full consultation on the policy changes will be conducted concurrently within the 6 month period January to June 16 by the Partnership Steering Group.
7. The report outlines the proposed changes to the Allocations Policy and the proposed formal response by the Council to the changes. The consultation response as approved by members will then be forwarded to the Selectmove Partnership for their consideration.

## BACKGROUND

8. Each Local Authority is required to publish an allocations policy under Part VI of the Housing Act 1996, and the policy should demonstrate how the Local Authority will coordinate access to social housing in its area
9. Select Move allocates properties using Choice Based Letting methodology which replaced waiting on a housing list to be allocated a property. Properties are advertised on the Select Move website each week, and applicants can express interest on the homes in which they wish to live. Applicants are then short listed depending on need (determined by band) and time in the band.
10. In the last eighteen months there have been a number of changes introduced nationally which the RPs claim have impacted on their business models. In particular, the Welfare Reform changes which have been introduced with further changes expected, have impacted on the pattern of demand for properties and in some parts of the Select Move area namely Preston, they have seen tenancy terminations increase without tenants giving notice thereby increasing re-let times and incurring void losses. The impact the welfare reform changes are having on customers in receipt of benefits has also led to the RPs wanting to ensure there is greater diversity in the customer base.
11. The more recent announcement that social housing rents must be reduced by 1% per annum from April 16 for four years has led to RPs reaffirming their need to minimise re-let times, decrease void costs and maximise efficiencies.
12. Earlier this year, Select Move partners Community Gateway, Preston Council's LSVT partner, gave notice of their intention to withdraw from Select Move in April 2016 unless consideration could be given to introducing more flexibility within the Select Move Allocations Policy and procedures. The main change to the policy being the ability to advertise some of their properties outside of Select Move. The RPs within the partnerships were supportive of their proposal as were Preston and South Ribble Councils and agreed to change the current system; they have since agreed to make use of the pilot before making any firm decision to change the current scheme on a permanent basis.
13. The consultation exercise will be conducted using the Select Move website and other forums pertaining to Housing and Support. Therefore, it is necessary for the Council to respond to the consultation as a partner and a stakeholder.

<b>Confidential report</b> Please bold as appropriate	<b>NO</b>	No
--	-----------	----

<b>Key Decision?</b> Please bold as appropriate	Yes	<b>No</b>
--	-----	-----------

<b>Reason</b> Please bold as appropriate	1, a change in service provision that impacts upon the service revenue budget by £100,000 or more	2, a contract worth £100,000 or more
	3, a new or unprogrammed capital scheme of £100,000 or more	4, Significant impact in environmental, social or physical terms in two or more wards

## REASONS FOR RECOMMENDATION(S)

### (If the recommendations are accepted)

14. To accept and commit to the changes entered into by the Select Move Partnership which in the main mirrors those proposed and accepted by Preston and South Ribble Councils. However, to ensure Chorley residents are not disadvantaged the changes will be piloted by the whole partnership and include a quarterly review meetings between the Council and the RPs to review progress and monitor impact.

## ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

15. To refuse to accept the proposed changes could likely result in the RPs giving their notice to withdraw from Select Move and the Council has no powers to prevent this or Chorley Council would operate on and assess households using a different policy. The demise of Select Move would result in the need for the Council to revert back to the old nominations system whereby RPs provide the Council with a proportion of their voids as nominations on some of their stock. To operate a different policy from RPs and our neighboring authorities within the Select Move scheme would not only be confusing for the applicant, but could prove to be a disadvantage for Chorley applicants in obtaining permanent housing.

## CORPORATE PRIORITIES

16. This report relates to the following Strategic Objectives:

Involving residents in improving their local area and equality of access for all	X	A strong local economy	
Clean, safe and healthy communities		An ambitious council that does more to meet the needs of residents and the local area	

## 17. THE PILOT SELECT MOVE COMMON ALLOCATIONS POLICY AMENDS

The current Select Move Common Allocations Policy was published in September 2013. The Select Move steering group has been conducting a mini review of the policy, in order to achieve the aims set out below:-

- Modernise Select Move so that it continues to provide a CBL system that meets the requirements of partners and users.
- Ensure there remains transparency in terms of policies and lettings outcomes.
- To attract a wider range of customers, including those in employment or on lower wages who are unable or unwilling to enter home ownership and for whom social housing is not a first choice.
- Meet housing need and assist the local authority to meet its statutory obligations will remain the main emphasis for Select Move and the most popular accommodation, for which there is proven demand will continue to be advertised via Select Move.

- Each RP would continue to advertise at least 75% of its vacancies via Select Move and a higher proportion if demand is there.

**18. The key success factors for the pilot are:**

- Lettings Performance - That the letting of hard to let properties improves and void times and costs are reduced.
- Inward Migration - That Inward migration remains very low including stock let by RPs outside Select Move.
- High demand properties - That high demand properties e.g. two bed houses continue to be advertised on Select Move and allocated to the reasonable preference categories.

Council's Statutory Obligations – The policy change does not affect the Council's ability to deliver its statutory obligations regarding the prevention of homelessness. At the end of the six months period in 2016, and providing the Council is satisfied that the success factors are met the council would seek Executive Cabinet approval for the changes to the policy to be made permanent.

**19. THE INTERIM SELECT MOVE COMMON ALLOCATIONS POLICY CHANGES**

20. Changes have been made to the policy to limit stock turnover, so current tenants will not be awarded a live application until they have been in a tenancy for 12 months; unless there are exceptional circumstances as such, that an urgent move is needed.

The Council has no objection to this change. The amend will support the RPs to limit stock turnover in the first year of a households tenancy, which should not affect the majority of tenants who consider one year a reasonable period of time to settle into a property, before seeking further accommodation. There are exceptional circumstances for example, Domestic Abuse, which would warrant an urgent move and this has been addressed.

21. Local connection has been expanded to include children as well as adult children. If applicants can demonstrate a Local connection by providing evidence to confirm they have children permanently residing in the area, continuously for at least 5 years, they will qualify for Select Move.

The Council is happy to support this amend as it will have limited impact on applications. It is a positive change for those individuals who have children living in the sub-region who want to move closer to offer support to their children.

22. The amended policy sets to formalise the financial/affordability tests, which is being used by RPs to establish whether an applicant can afford a certain type of property. It was agreed that the test will be done as part of the verification stage, so this does not prevent applicants from holding a live application on Select Move. The review has given the partnership the opportunity to amend the policy to reflect this practice.

**Policy wording**

"Affordability assessments will be undertaken on applicants and their households to determine ability to sustain a tenancy financially. If a tenancy is deemed to be unaffordable, alternative options and advice will be given to support the applicant/household to obtain

accommodation. The outcome of the affordability assessment will not prevent the application from being made active, however it may preclude an offer being made by one or more partners”.

Whilst the Council has had reservations previously in regard to affordability testing being used, and has had to carefully consider whether testing should be detailed in the policy. The view of the Council is that social housing should be affordable for all, particularly those on low incomes, however, we do understand the changes in benefit payments coupled with RPs constraints, so we have considered our position carefully.

The Council accepts that affordability/financial test should form part of the process. Therefore, agree it should be detailed in the policy. The Council has influenced the Partnership to ensure that affordability tests should only be used in support of a household, supporting them to make suitable choices and to avoid rent arrears and tenancy failure, but not to exclude households on low incomes; this is reflected in the policy wording. This will enable the Local Authorities Housing Options Team to support those households who are facing financial difficulty to access support. The Council has been clear that affordability tests should not prevent households holding a live application on Select Move. The Council will continue to monitor this aspect of change and the impacts of testing to ensure social housing is accessible to all.

23. The Select Move system assesses households on a needs basis and households are subject to the bedrooms standards, which will dictate how many bedrooms households, are eligible for; this is based on housing benefit regulations and housing benefit entitlement. This is in place to prevent financial shortfalls being created. Since 2013, the under-occupancy regulations have been in place, RPs have had difficulties in letting certain types of properties, which has affected their void figures.
24. In order to support RPs allocate their hard to let properties, particularly 3 bed and 2 bed upper flats, the Partnership has reviewed the policy to find a solution. The solution is to provide an option for those households who can afford larger properties, overriding the regulations. Therefore, properties will be allocated to households who can afford larger bedroom sizes, irrelevant of their bedroom needs assessment, for example, an applicant who is eligible for a 2 bed property, but is deemed to be able to afford a 3 bed property, dependent on income, will be considered for a 3 bed property. However, to avoid want overriding need, the system will assess household's ability to afford larger 3 bed properties and will only consider them for an offer or allocation, if no household are identified who need a 3 bed property in the shortlisting process.

The Council does not have any objection to this solution and accepts there has to be change to reduce voids and to offer applicants larger properties if they can afford to do so. Monitoring will be in place to ensure the system continues to allocate on a needs basis primarily, before consideration is given to a list of applicants who have been identified as being able to afford a larger property.

25. To address the need for, and the lack of four bed properties becoming available, RPs will consider some larger 3 bed parlour house type properties to fulfil households 4 bedroom need.

The Council does not consider this as a negative and supports this change. The Council is regularly challenged by families who are waiting for a 4 bed properties, but would be happy to move into a large 3 bed property in order to reduce waiting time. This change would prevent these challenges and offer larger families more choice.

## IMPLICATIONS OF REPORT

26. This report has implications in the following areas and the relevant Directors' comments are included:

Finance		Customer Services	
Human Resources		Equality and Diversity	
Legal	X	Integrated Impact Assessment required?	x
No significant implications in this area		Policy and Communications	

## COMMENTS OF THE STATUTORY FINANCE OFFICER

27. There are no financial implications within the report.

## COMMENTS OF THE MONITORING OFFICER

28. The proposed changes do not undermine the Council's duty to have a compliant policy for allocations.

LESLEY-ANN FENTON  
DIRECTOR OF CUSTOMER AND ADVICE SERVICES

Report Author	Ext	Date	Doc ID
Fiona Daniels	5706	24.1.16	

Background Papers			
Document	Date	File	Place of Inspection
Piloting proposed amendment to the policy and procedures	22.10.2015		<a href="https://democracy.chorley.gov.uk/ieDecisionDetails.aspx?ID=5509">https://democracy.chorley.gov.uk/ieDecisionDetails.aspx?ID=5509</a>
Select Move Sub Regional Allocation Policy	17.9.2013	***	<a href="https://democracy.chorley.gov.uk/mgIssueHistoryHome.aspx?IId=31958&amp;OpIt=0">https://democracy.chorley.gov.uk/mgIssueHistoryHome.aspx?IId=31958&amp;OpIt=0</a>
Draft Select Move Common Allocation Policy	22.3.2013	***	<a href="https://democracy.chorley.gov.uk/mgIssueHistoryHome.aspx?IId=29956">https://democracy.chorley.gov.uk/mgIssueHistoryHome.aspx?IId=29956</a>