

Housing Rights Service Policy Briefing on: Research to inform the fundamental review of social housing allocations policy

INTRODUCTION

In 2012, the Minister for the Department for Social Development (DSD) announced a Fundamental Review of social housing allocations in Northern Ireland. The purpose of this review was “to ensure that the current ways of accessing the social housing waiting list and allocating social housing make the most effective use of scarce public resources in identifying and meeting housing need in the context of Government’s policy priorities”.¹

The review was carried out by the Universities of Ulster and Cambridge who conducted discussions with a number of stakeholders and reviewed best practice in the allocation of social housing in the UK and Republic of Ireland. This evidence is examined in Reports 1 (Current approaches to accessing and allocating social housing in Northern Ireland) and 2 (Best practice approaches to accessing and allocating social housing in Britain and the Republic of Ireland). The final research report (Conclusions and Recommendations) contained the following recommendations (though these do not necessarily represent the views of DSD).²

The Department is inviting feedback on these reports and will publish a summary of the responses and its final proposals. These proposals will be subject to full public consultation. It is expected that this will take place late in 2014. The deadline for comments on the reports is **4 March 2014**.

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¹ Facing the Future: Northern Ireland Housing Strategy 2012-17. DSD

² Research to inform a fundamental review of social housing allocations policy. Executive Summary. University of Ulster & University of Cambridge 2013. <http://www.dsdni.gov.uk/executive-summary-social-housing-allocations.pdf>

DETAILS OF RECOMMENDATIONS

PRE-APPLICATION

1. **A Housing Options Service should be introduced in Northern Ireland** which would provide advice on housing and housing-related issues such as managing debt. This is an approach which combines looking at a person's legal rights to a home with a broader look at all the possible housing options open to them which could include **renting privately**, support to stay where they are and home ownership.

It is argued in the consultation documents that such a service will help manage expectations and encourage applicants to explore more realistic solutions to their housing needs. The researchers believe that the aim of a Housing Options Advice service is to allow housing providers to meet a range of housing needs without sole reliance on the social housing sector (the Housing Executive and Housing Associations). The service would provide **alternative advice options** and could also include **enhanced services** such as money advice and referral to mental health services and drug support services, for example. For such services to be effective it is vital that people are given **clear, impartial advice** and are supported to make the housing choice that is right for them. It therefore should be noted that Housing Options services are **complex and expensive** to operate as staff need to have a thorough knowledge of all local housing and available services, and the skill to make judgements and give the appropriate advice. This will mean an ongoing investment in training and development by government.

APPLICATION

2. **Universal access to social housing should be retained.** It is recommended in the research study that this fundamental principle of the current public housing scheme should be retained so that everyone at least has **the right to apply for social housing**. This does not mean that everyone will be offered a social house.

In the Republic of Ireland, for example, some people can be excluded from applying for social housing on the grounds of income but that is not being proposed for NI.

ASSESSMENT

3. **A needs-based approach should be used to prioritise applicants for social housing**

This is another fundamental principle and it has long been argued that the central role of social housing should be to **house those in the most severe need**. However the researchers qualify this core principle by saying that although any new selection scheme for social housing should be *primarily* based on meeting individual need, other factors could also be taken into account in order to **encourage social mixing and economic regeneration**. These factors could include, for example, giving a preference for social housing allocation to employed people; those who make an important contribution to the community; 'good'

tenants with no rent arrears or record of anti-social behaviour and those committed to a 'Shared Future'. Looking at a range of factors not just need, it is argued, could allow for greater flexibility and the setting of local priorities for how we allocate social housing. However this could possibly give rise to an even more complicated system which could introduce more subjectivity and bias in the allocation system.

Some stakeholders have argued, for example, 80% of the allocations for social housing could be made on the basis of housing need with the remaining 20% allocated in a different way to meet other policy objectives such as more sustainable communities or 'mixed' housing developments. Others believe that this type of 'social engineering' is not possible given the current high level of housing need and should only be considered if there was a major increase in the supply of social housing. This debate on the future purpose of social housing is likely to be the most contentious – i.e. **is social housing just about addressing acute housing need and providing a safety net or is it also about meeting wider housing policy objectives such as creating more sustainable and balanced communities?**

4. A banded approach should be adopted for prioritising applicants.

A. Bands should be ranked to prioritise applicants

B. A date-order system should be used to prioritise applicants within bands

C. A Priority Dates Scheme should be used for changing circumstances

It is proposed that a 'simple' banded system should replace the current more complex 'points' system to prioritise applicants, using time on the list within each band to determine priority. At the moment 'points' are awarded to housing applicants, depending on their need for housing in four categories: intimidation; homelessness points; housing conditions; and health or social well-being. The points total reflects the need to move accommodation. The applicant with the most points has the highest priority and greatest chance of getting a home.

HRS receives a lot of enquiries about points from people who want to know what their point score means or how many more points they need to get a home, even though many applicants will never have enough points to secure a social home. Many councils in Britain have moved to a banding scheme to work out applicants' level of priority. These schemes group applicants with similar levels of need together. Applicants in the highest band are most likely to get a home and people who've been in that band the longest time have the highest priority. The use of three to five bands appears to be the most common and a date order system is used to minimise queue jumping with changing circumstances managed through the use of 'priority dates' which prevents the backdating of higher priority needs within bands.

It is argued that bands make it easier for people to understand their chance of being housed because they rank applicants by priority, whereas points only tell them their chance if they

know how many points everyone else on the register has. **The researchers believe applicants may find a banding scheme easier to understand as it makes their chances of getting a home clearer and can reduce fabrication, 'points chasing' and fraud. However advocates of the current points allocations scheme believe it is relatively easy to explain to applicants and less open to misinterpretation or accusations of unfairness (it has never been successfully challenged on religious grounds).** Of course, a hybrid system encompassing elements of both of these systems could also be developed. (This system previously operated in NI – prior to the points system. It was discarded in 1995 in favour of the current point scheme.)

Some stakeholders believe that there should be priority awarded for the length of time applicants have been waiting for social housing whilst others warn that it should not be a predominant factor that would prevent applicants with the most acute housing need from being allocated a social home.

5. A separate Transfer List should be established

A. The proportion of lets to transfers should be set by SIASP

B. There should be transfer-led allocations for new build properties

C. Management Transfers should continue

Most stakeholders appear to be supportive of using the transfer system to encourage greater mobility in the social housing sector - currently the Housing Executive makes allocations to transfer applicants on a ratio of one transfer allocation for every two waiting list allocations. At the moment tenants must normally wait two years before becoming eligible for transfer and should not be in rent arrears however there have been concerns expressed in the past that this is too restrictive. We have also encountered tenants unable to transfer because they live in difficult to let or undesirable district.

Nevertheless, stakeholders have suggested that there could be merit in prioritising transfer applicants for a greater proportion of new build social homes in order to build more sustainable communities. However there are concerns about allocating a social home to an existing tenant rather than an applicant from the waiting list who is already in acute need. Also there is a fear that transfers could be awarded on the basis of landlord 'value judgements' rather than need, i.e. rewarding 'good' tenants with new build accommodation. However, it is argued transfers can help to ensure the balance of tenants in a new build scheme and perhaps a quota system can be introduced, with transfers also made on a basis of need and factors such as sustainability.

The Housing Executive are considering introducing a 'management transfer' category for tenants who wish to 'downsize' in order to retain Housing Benefit payments under the Welfare Reform 'bedroom tax proposal. Social landlords already use management transfers to flexibly manage their estates and to meet changing tenant needs.

(Details on the proposed establishment of the Strategic Independent Allocations Panel (SIASP) and its role in setting the proportion of transfers, particularly for new lets, are included in the section dealing with recommendation 13 later in this briefing.)

6. Mutual exchanges should be promoted as a mechanism to meet housing need

A. Transfer applicants should be opted-in to the mutual exchange register

B. The inclusion of registered private rented sector properties within the mutual exchange scheme should be explored

The Housing Executive and most Housing Associations already operate a mutual exchange register at www.homeswapper.co.uk. Transfer applicants have to register for this tenant-led home swapping service and it is proposed that they should be automatically enrolled in this particular register. According to the Housing Executive there are approximately 200 homes currently available for exchange through *Homeswapper* however it is expected that this modest number will greatly increase. The consent of landlords is required for these exchanges and they will not carry out any change of tenancy repairs except for those that are required to comply with health and safety legislation. Tenants may also need to check their 'Right to Buy' entitlement for these new homes.

Social landlords can refuse permission for these exchanges if there are rent arrears; the new property is regarded as too small or too large for the household; if the tenant's current property has been adapted or is part of a sheltered scheme and the new tenant has no need for this type of accommodation; and if improvements/alterations have been carried out without consent. Some revision of these exclusion criteria may be required as part of a new allocations scheme.

In Britain, private rented properties are also included in these exchange schemes **however many advice agencies would have concerns that in this situation social tenants would sacrifice key protections such security of tenure, repair assistance and a degree of rent control by giving up a social tenancy and moving into the largely unregulated private rented sector.**

However mutual exchanges can be useful for social tenants who require a smaller or larger home; or are interested in moving to a new area and who want to avoid a lengthy wait for a transfer.

ALLOCATION

7. A Choice Based Letting (CBL) system should be introduced for the allocation of social housing properties in Northern Ireland

A. To widen access, there should be— support for those who may be disadvantaged in the CBL system

B. There should be use of an ‘Assisted List’ approach as a mechanism to support vulnerable and excluded groups

C. CBL bids should be monitored

This is a key proposal to move away from the traditional direct letting approach to a CBL system. Direct letting is generally seen as a ‘top down’ system where applicants state their housing preferences in regard to the areas where they would like to live and housing officials match this by making an offer of an available property to the applicant with the highest number of points on the waiting list. However in recent years direct letting has been abandoned by many local authorities in Britain in favour of CBL schemes which are ‘bottom up’ in nature with applicants taking responsibility for matching themselves to advertise properties and making bids. **It is argued by the researchers that this system empowers applicants by allowing them to exercise their right to choose and take control of the allocations process.**

Evidence from Britain suggests for CBL systems to work effectively there needs to a **high level of support for vulnerable groups and good communication between landlords and applicants including usage of a wide range of advertising techniques not restricted to online platforms.**³ The establishment of an ‘assisted list’ for particularly vulnerable clients (such as people with learning and literacy difficulties) is recommended where for example nominated advice agencies can make a bid on an applicant’s behalf. **Monitoring of any CBL system will be vital to check that such vulnerable groups are using the system effectively.**

The researchers believe that the adoption of a CBL scheme in NI will lead to applicants having a more realistic expectation of being housed with many extending their areas of choice and refusing fewer reasonable offers (NIHE estimate that for every offer of housing that is accepted, more than three are not). The Housing Executive are currently piloting a small scale CBL system for difficult to let properties. (See recommendations 8, 9 & 10 which also refer to this proposal.)

8. There should be a review of the classification of properties with specialist accommodation which will sit outside the principal scheme

It is recommended that in order to speed up allocations and reduce the administrative burden for landlords, specialist housing such as sheltered accommodation and ‘housing with

³ NI has the lowest internet usage in the UK at 79% - ONS 2013

care' should be excluded from the principal allocations scheme. (Also recommendation 10 refers.)

9. Local Lettings Policies should be used to meet identified local circumstances

It is proposed that local letting policies which take account of particular circumstances within defined areas should be used in making allocations, particularly in areas of low demand or where there is a recognised need to create sustainable and mixed communities. **It is argued that such policies would allow for the particular needs of local communities or estates to be addressed and the specific example of tackling anti-social behaviour is cited in the reports.** However, the researchers believe such policies should be time limited and need to be carefully scrutinised in association with stakeholders.

Concerns have been raised that the introduction of a local letting system would give landlords discretion to apply their own criteria which would break away from the principle of operating needs based allocations.

10. There should be a facility to make direct lettings in prescribed exceptional circumstances

Along with the above recommendations, it is proposed that some properties could be allocated outside CBL through direct letting and would not be advertised on CBL. Such prescribed circumstances would include, for example, specially adapted properties or for hospital discharges.

11. Applicants that have committed Anti-Social Behaviour (ASB) should be suspended from the list for up to 2 years

In a departure from established practice in Britain, the researchers recommend that applicants should be suspended from making bids or receiving offers of accommodation for up to 2 years. This is meant to be determined according to their individual circumstances but these are not detailed in the reports. Such applicants who have committed serious ASB or major breaches of their tenancy will be allowed to stay on the register to allow for the suspension to be quickly lifted if behaviour has improved and following expiry of the restriction. Some stakeholders question whether this proposed measure is required as there is already sufficient legal redress and non statutory procedures to tackle this problem.

12. Applicants should receive a maximum of two reasonable offers

A. There should be suspension from the list for a period of one year for those who refuse two reasonable offers

As noted earlier there is a relatively high level of refusal of offers under the current direct letting system which creates management difficulties for landlords in processing repeat offers and delays in re-letting with a consequent loss of rental income. It is argued by the researchers that the reduction from the current arrangement of 3 offers to 2 is in line with

normal practice in GB and Ireland. However some stakeholders believe such a diminution runs counter to the principles of increased choice and options advocated in the research reports. Advice agencies question the claim that multiple offers are frequently made and refused. In HRS experience an offer is considered 'reasonable' unless the applicant can make a good case for it being 'unreasonable' and therefore be legitimately discounted.

The researchers also favour continuing the current sanction of suspension for one year for applicants who refuse reasonable offers however they note that most suspensions are for shorter periods in GB.

MECHANISIMS FOR IMPLEMENTATION

13. A Strategic Independent Allocations Scrutiny Panel (SIASP) should be established

The establishment of this scrutiny and oversight body would be a significant change for the existing social housing system. It is envisaged that the panel would hold social landlords to account for the way they would set up and administer the new allocations system. More detail is needed on how this body would be recruited, regulated, and funded in this age of austerity but it is proposed that the panel would have a decision-making role in identifying the proposed banding scheme (recommendation 4), setting the proportion of new lets on the transfer list (recommendation 5A) and framing local lettings policies (recommendation 9). The panel would also scrutinise and evaluate the performance of the allocations system, potentially involving applicants and tenants in this process. The composition of the panel is recommended to be no larger than 12 members with at least 2 being tenants. It is expected that the SIASP would be funded and serviced by the proposed Regional Housing Body.

Stakeholders have questioned the need for such a body. It has been questioned why these oversight functions could not delivered by the proposed Regional Housing successor body or an independent housing regulator. Questions have also been raised about the legal status of this body and whether DSD would still have final authority on the panel's proposed decision-making. Be that as it may, given the political sensitivities that exist in regard to social housing allocations there is a view that a specific scrutiny mechanism is required.

14. Allocations should be monitored using Housing Market Areas

The researchers believe SIASP should scrutinise the operation of the allocations scheme on an area basis derived from recent studies which have mapped 11 different Housing Markets Areas (HMAs) operating across NI. ⁴ Stakeholders are questioning how these areas have been determined.

⁴ See Young, G; O'Sullivan, T & Gibb, K (2010) Northern Ireland Housing Market Areas, NIHE and Palmer, J. (2007) Housing Needs and Housing Market Assessment; A Comparative Review of Methods used in England and Northern Ireland. North Harbour Consulting.

LONGER TERM

15. There should be work towards developing Enhanced Housing Options Services

The researchers also recommend, in the longer term, stakeholders should work on developing an Enhanced Housing Options Service in order to establish more effective working relationships between landlords, councils and the health & social care sectors, for example. In Britain it has long been recognised that housing problems are often linked to poor health, education and employment opportunities and a number of successful partnerships have been developed for such advice services. A 'one-stop -shop' approach to dealing holistically with applicant's housing options and problems is recommended.

16. The introduction of a Quota System should be explored

- There should be provision for quotas to be varied between HMAs

The researchers believe the use of quotas *between* bands should be considered and eventually set by SIASP in consultation with stakeholders after a period of 5 years has elapsed since the introduction of a new allocations policy. It is also proposed that the panel could also consider introducing quotas *within* bands in order to further assist the development of sustainable and mixed communities. Furthermore researchers believe the panel could have an enhanced facility to vary quotas by Housing Market Area in order to address issues at this neighbourhood level. In Britain local authorities have used this approach to prioritise, for instance, the housing needs of key workers and offenders leaving prison.

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