

## New Allocations Scheme 2024

<b>Executive Summary</b>	<p>NNDC is responsible for assessing and addressing housing need in the District. The Council's Allocation Schemes sets out the rules, criteria and procedures that determine how we allocate affordable homes to households in North Norfolk.</p> <p>The current Allocations scheme has broadly been in place for over 14 years and now requires review to ensure that it is fit for purpose and that there is a consistent and fair approach for our Registered Provider (RP) partners to letting homes to meet the greatest housing needs.</p> <p>Following consultation with partner RPs and feedback from customers, a proposed new Allocations Scheme has been produced.</p> <p>The proposed new Allocations Scheme will require statutory consultation before any changes could be implemented</p>
<b>Options considered</b>	The Allocations Scheme is a statutory policy of the Council which must be relevant and effective, not providing an up to date Allocations Scheme in line with current legislation is not an option
<b>Consultation(s)</b>	<p>RP partners</p> <p>Customers of "Your Choice Your Home"</p> <p>Staff across housing / housing related teams</p>
<b>Recommendations</b>	<p>It is recommended that Cabinet:</p> <ul style="list-style-type: none"> <li>- Support the proposed allocations scheme summarised in this report and attached as Appendix A</li> <li>- Agree that NNDC undertake statutory consultation with key stakeholders</li> <li>- Agree that, following consultation, a further report be bought back to Cabinet for consideration ahead of formal adoption of the Allocation Scheme</li> </ul>
<b>Reasons for recommendations</b>	To ensure the Council has an effective Allocations Scheme in place – a statutory policy of the Council
<b>Background papers</b>	None

<b>Wards affected</b>	Districtwide
<b>Cabinet member(s)</b>	Cllr Fredericks, Portfolio Holder for Housing and Peoples' Services
<b>Contact Officer</b>	Nicky Debbage, Housing Strategy & Delivery Manager, <a href="mailto:nicky.debbage@north-norfolk.gov.uk">nicky.debbage@north-norfolk.gov.uk</a>

**Links to key documents:**

Corporate Plan:	Meeting our Housing Need.
Medium Term Financial Strategy (MTFS)	An effective Allocations Scheme will help the council tackle housing need and potentially reduce the cost of temporary accommodation for homeless households the Council has a duty to accommodate
Council Policies & Strategies	NNDC Housing Strategy 2021-2025 Homeless and Rough Sleeper Strategy 2020- 2024

<b>Corporate Governance:</b>	
Is this a key decision	Yes
Has the public interest test been applied	NA
Details of any previous decision(s) on this matter	NA

1. **Purpose of the report**  
This report summarises the proposed new Allocations Scheme, with the full policy attached as Appendix A to this report.
2. **Introduction & Background**
  - 2.1 North Norfolk District Council is the statutory housing authority and responsible for understanding and tackling housing need in the District. To do this the Council holds a common waiting list for applicants for affordable homes in the District. The Council is also responsible for the Allocations Scheme, which sets out the rules, criteria and procedures that determine how we allocate affordable homes to households in North Norfolk. We last reviewed our scheme in 2018, since then the scheme has been updated to reflect changes in the law, and minor changes as allowed by the scheme. To ensure that people have homes that meet their needs, that we give priority to those in greatest need, and make the application process easier; we are now undertaking a review of our current Allocations Scheme.
  - 2.2 The current Housing Allocation Scheme has broadly been in place for over 14 years and has been designed to be used by NNDC and the Registered Providers (RP) with housing in North Norfolk. The scheme involves a Choice Based Lettings (CBL) system. This is referred to as “Your Choice Your Home”. CBL allows registered, eligible households to bid for properties of their choice, with success based on assessed priority and date. N.B. most homes are allocated to the bidder with the highest priority/oldest date. However, for allocations of homes on Rural Exception Sites the criteria are different and homes will be allocated to those who bid with the strongest local connection.
  - 2.3 The major challenge with our allocations policy is that demand for affordable housing far exceeds available supply (there are c.2,500 on the housing list

and around 250 homes available per year). Therefore, a review of the housing allocation scheme seeks to meet the following aims:

- Ensure people in the greatest housing need have the greatest opportunity to access suitable housing that best meets their needs
- To prevent and relieve homelessness and reduce placement in temporary accommodation
- Make effective use of available housing stock
- To meet legal requirements for the allocation of social housing as set out in the Housing Act 1996 Homelessness Act 2002 Localism Act 2011 and Homeless Reduction Act 2017
- To help contribute to the development of sustainable communities;
- Make the housing process accessible, transparent, fair and easy to use
- Provide information about the availability of homes to enable applicants to make realistic choices about their housing options
- Be more efficient and user friendly for applicants, the council, housing associations and other partner organisations

- 2.4 Whilst the Council is responsible for the current allocations policy, its effectiveness relies on partner RPs working with us. An RP could choose to hold their own waiting list and allocate their homes according to their own allocations policy. Currently all the main RPs choose to work with the Council and use our housing list and allocations policy to let their homes. The only exception to this are the smaller, community led organisations who let homes using their own allocations policies (e.g. Homes for Wells who prioritise key workers). In addition, all participating RPs have the ability to allocate up to 20% of their lets to their own tenants who want/need to move home.
- 2.5 Therefore it is key that any review of our allocations scheme is carried out in partnership with our RPs. Therefore, the review has been overseen by a Working Group consisting of the main RP partners (Victory / Flagship, Broadland, Orbit, Hastoe).
- 2.6 In addition, customer feedback was also sought using a survey open to all customers of Your Choice Your Home. In total 545 people completed the survey, approximately 30% of people on the register. This has given us valuable insights into how well customer's feel the current allocations process works. The full results of the survey are attached as Appendix B. Customers were positive about the scheme – saying it is fair, transparent and easy to use and liked the chance to choose which accommodation/area they wanted. However, the things customers did not like were the lack of properties available and that they were unable to get their needs met, the length of time applicants are waiting and that the criteria for assessing housing need is not clear and does not recognise personal circumstances and need.
- 2.7 Whilst partners' and customers' views are important in shaping the new Allocations Scheme, in reality much of the allocation of homes is governed by legislation, which identifies groups that must be given reasonable preference or additional preference. The key legislation is set out in the Housing Act 1996 Part VI as amended by the Homeless Act (2002), the Localism Act 2011, and the Homelessness Reduction Act 2017. Other legislation is also relevant, some of which (e.g. that relating to members of the Armed Forces or those suffering domestic abuse) has changed since we last agreed our Allocations Scheme and needs to be reflected in any new policy.

### **3. Context for Review of the Allocations Scheme**

3.1 The key facts on housing need and supply of affordable housing (based on housing allocations for 2022/23) are

- The Allocations Scheme covers c. 6,500 affordable homes (rented & shared ownership) across eight RPs, 78% of these homes are Victory Homes
- There were (as at 1/4/23) 2,494 households on our housing list and 282 homes were available in 2022/23
- 378 Households in 2022/23 were initially assessed as Homeless or threatened with Homelessness, and over the year 188 were placed in Temporary Accommodation
- 557 households on the list are in the most urgent need, an 18% increase from the previous year
- The list is split relatively evenly between single people/couples and families, although families with children are the largest group on the Housing Register (those applicants in the highest need)
- 46% of the homes available in 2022/23 were 1-bed, there were no 4-bed or more homes available

3.2 The key issues identified that the allocations review needs to consider are:

- An overall shortage of affordable housing including the increase in housing demand through both homelessness and those wishing to access more affordable accommodation due to loss of private rented tenancies
- Policy on Choice – whilst the Council is committed to enabling people to play an active role in choosing where they wish to live, the housing pressures faced within North Norfolk will limit the degree of choice that we are able to offer along with the legal responsibility the Council has to ensure that those in greatest housing need are given priority for affordable housing

3.3. Some changes have already been tested to try to deal with the overwhelming level of need for affordable homes. During the pandemic emergency powers were used. Initially, to support the government's 'Everyone In' initiative and ensure those in the most unsuitable accommodation were housed, all properties were withdrawn from being advertised through Your Choice Your Home and instead allocated directly. Later, it was agreed with partners, to use a phased return to choice based lettings, so one in every three lets was allocated directly to those in TA or otherwise likely to go into TA.

3.4 This approach worked to reduce the number of households in the least suitable TA. However, by February 2023 we faced a similar problem with the numbers in TA increasing again. A further 6-month pilot was agreed with RP partners to try to speed up rehousing for homeless households. This pilot involved awarding a Priority Card to all clients accepted as having a main housing duty (i.e. homeless) – increasing the number of Priority Card cases from a typical level of three or four up to 60+. This meant that all homes were advertised through Your Choice Your Home, but those bidding who were awarded a Priority Card were very likely to be successful. The outcome of this pilot was that, whilst numbers of households in TA remained high, the numbers being placed there did reduce and the time households stayed in TA before being rehoused reduced (from an average stay of 65 nights for the

period January to May 2022, down to an average of 47 nights for the same period in 2023).

- 3.5 The allocations review Working Group considered the impact of the pilots set out above, and whether Choice Based Letting was still the appropriate model for letting scarce affordable housing, given that in reality very few applicants have any choice and the high levels of homelessness in the District. The Working Group agreed to pilot a blended approach to allocations – with some homes let through choice based letting and some homes let through nominations by NNDC. This approach (set out in more detail in section 4. below) has been piloted since September 2023.

#### 4. **Proposed New Allocations Scheme**

The proposed new Allocations Scheme is attached as Appendix A to this report, Below we have summarised the key aspects of the new scheme:

##### 4.1 **Overall Model**

Three overall models for allocating homes were considered:

- **Retain existing model** - the majority of homes advertised and let through Choice Based Letting, RPs retain their (up to) 20% transfer quota, a small number of Priority Cards and direct lets are used
- **Direct Nomination** - this would be returning to a system where NNDC maintain the Housing list and match applicants to the available properties and then nominate those applicants to the RP
- **Blended System** – some homes are let through CBL / some matched and nominated by NNDC

- 4.2 Choice based lettings has many positive aspects; it is a more transparent approach to allocating homes where customers can see how many people are bidding and the likelihood of them getting a property. All available properties are advertised and customers are able to choose whether to bid, rather than being allocated a home that they may not have chosen. However, CBL may also raise unrealistic expectations – i.e. there is no real choice for the vast majority of applicants. It may also mean those in the highest need do not bid on a home that would meet their needs, but 'hold out' for a better option (that probably does not exist). For the RPs, CBL can also mean delays in lettings whilst dealing with applicants who have placed bids on multiple properties or who refuse a property in the belief they will be offered an alternative, more attractive, property.

- 4.3 There are equally pros and cons to a system where applicants and homes are matched by NNDC. This approach can speed up the letting process and ensure those in the greatest need are offered a home. Matching, and removing an element of choice, may also mean making better use of existing homes. However, customer choice is removed and it is a less transparent system. There is also the risk that applicants will be allocated a home they do not want and this could lead to poor tenancy sustainment.

- 4.4 Ideally the Council would let homes in a way that maximises customer choice. However, given the acute shortage of homes and sustained levels of homeless presentations, it is recommended that the new Allocations Scheme

uses a Blended System. It is recommended this is as per the current pilot, which involves:

- 1 in every 5 lets will be used to move existing tenants (the RPs transfer quota)
- 2 in every 5 lets will be let from nominations by NNDC
- 2 in every 5 will go through CBL

However, the policy is written in a way which means that the Council and RP partners can agree to change these proportions. For example, if acute housing need subsidises the model could go back to all (outside of 20% RP transfer quota) homes let using CBL.

4.5 Currently NNDC will match and nominate homeless clients to available homes to try to reduce the need for TA and households' stay in TA. Victory will use their 20% transfer quota to make management moves and make better use of their stock (for example helping those who are under-occupying to downsize and potentially freeing up more family homes). The remaining vacancies will be advertised through Your Choice Your Home.

#### 4.6 **New bandings system**

Currently we have three separate registers within the housing list – the Housing Register (those in the highest needs – Priority Card, Band 1 or Band 2, and including high need existing social housing tenants), Housing Options (those in lower need), Transfer (those in lower need who are existing social housing tenants). This is confusing and the proposed Allocation Scheme seeks to move to one register or list, with five bands (A to E). The banding aims to prioritise housing need, where those assessed as being in the highest need are in Band A. Those in Band E have lower needs but would be eligible for specific housing, for example housing with care or Local lettings homes on exception sites.

4.7 The banding criteria seeks to be more responsive to individual needs and allows the Council to be more flexible, whilst continuing to be transparent about the way social housing is allocated in North Norfolk. It also introduces eligibility for people who are under occupying social housing and want to downsize, this is in order to free up family sized accommodation. The new banding is explained further in section 10. of the Allocations Scheme in Appendix A with a short summary set out below:

4.8 **Band A** – includes households who are owed a main housing duty (i.e. homeless), those who cannot be discharged from hospital as they have no suitable housing, those with a severe medical condition and detrimental effects from current accommodation, members of the armed forces with an urgent housing need, those fleeing domestic abuse and in a refuge or other temporary accommodation.  
**Band B** – includes applicants threatened with homelessness and owed a Homeless Prevention Duty, those who are overcrowded according to the Government's bedroom standard, those with an urgent medical condition that is seriously adversely affected by their current accommodation, those needing to move to give/receive essential care/support, those under-occupying who want to downsize.  
**Band C** – includes homeless/threatened with homelessness households who do not have priority need, those in lower level overcrowding situation, households with (or expecting) children sharing with others, households with a non-urgent medical need to move.

**Band D** – includes homeless/threatened with homelessness households who have worsened their housing circumstances and/or do not establish a local connection to North Norfolk, households without children who are sharing with others.

**Band E** – as set out above households with limited need but who are seeking specific housing such as extra care or local lettings homes.

#### 4.9 **Eligibility to join the housing register**

**Need** - The new scheme seeks to ensure that allocations are made to applicants with an identified housing need. All households currently on the Housing Options or Transfer register (those in lower need) have little prospect of being re-housed. All applicants will be invited to complete a new application in case there has been any change in circumstances which might improve their banding. Those assessed as having no housing needs will not be allowed to join the register.

4.10 **Local Connection** – the new scheme will remove eligibility for the Housing Register to those who do not have a local connection to North Norfolk. A local connection will be through continuous residency in North Norfolk for the last 3 years, or lived in the district for at least 3 out of the last 5 years, employment in North Norfolk for a minimum of 16 hours per week, or Immediate family members (parent, adult sibling or adult child) who has lived in the area for a minimum of five years continuously. There will be a number of statutory exemptions to this (for example those fleeing domestic or armed forces personnel, however, this change will potentially reduce the number of people eligible to join the list.

4.11 **Financial resources** – the scheme will amend the current savings and income threshold to ensure that only applicants who do not have the resources to resolve their own housing situation are permitted to join the Housing Register. The income threshold is proposed as where a household's gross taxable income is more than £60,000 per annum. The permitted savings threshold will be in line with the capital sums for Universal Credit purposes, which is currently £16,000. Additionally, applicants that own or part own a freehold or leasehold property will be unable to join the housing register, although there will be the ability to allow discretion where exceptional circumstances apply.

4.12 **Bedroom eligibility** – the Allocations Scheme will follow the Government's Bedroom Standard, meaning a bedroom for each of the following: a couple, a single person aged 21 or over, two children under 10 regardless of sex, two adolescents aged 10-20 of the same sex. This is a relatively ungenerous standard but reflects the shortage of family homes.

#### 4.13 **Local Letting Policy**

Whilst the majority of homes will be allocated according to need, some homes have different local letting arrangements. Some of these are bespoke and relate to the owning organisation of the homes, but most are homes on rural exception schemes which are let to those with the strongest local connection. The current local allocations agreement involves seven bands of local connection, with A being the strongest and G the weakest. The current local lettings allocations agreement can be confusing and often results in contention. As the current agreement looks through all local connection cases first (need is considered to prioritise between applicants within the same local

connection band) it may result in homes being let to households with a weak local connection and limited housing need. The new scheme proposes a much simpler system, with just two bands of local connection. Homes would be let by local connection band first, then highest needs banding, then longest time spent on the housing register.

- 4.14 Band 1 local connection would include: anyone who is living in the parish or adjoining parishes and has lived there for at least five years, or has been employed there for at least five years, or lived there for five out of the last ten years, or has immediate family member who has lived there for at least five years. Band 2 local connection would be very similar but the time required would be two years. In the unlikely situation there was no applicants with a Band 1 or 2 local connection the home will be allocated in line with the normal Allocations Scheme, i.e. to the applicant in the highest need.
- 4.15 There are many other elements to the Allocations Scheme included in Appendix A and the whole policy has been re-written to make it easier to understand.

## **5. Allocations review – Further work and Next Steps**

- 5.1 The Allocation Scheme is a statutory document and formal consultation is required as the proposals represent significant changes to the allocation scheme. Section 168 and 166A of the Housing Act 1996 require local authorities to bring any major changes to allocations policy to the attention of those likely to be affected by it, and to the attention of registered providers so as they have the opportunity to comment.
- 5.2 Whilst, formally there is only a requirement to consult with Registered Providers who have social housing units in the North Norfolk District, The Code of Guidance issued by the Government recommends that the consultation process should involve local communities more broadly, including those likely to be affected by the proposals. The proposed contributors to consultation would include:
- Registered Providers of Social Housing in North Norfolk, including community led housing organisations (most of whom would not be directly impacted),
  - Local residents likely to be affected by any changes to policy, including those currently on the housing register,
  - Key partners and voluntary organisation's likely to be affected by the policy including internal council directorates, town and parish councils and Norfolk County Council.
- 5.4 Consultation information will also be available on the council's website and through social media, giving any other interested parties the opportunity to have their say. Proposed areas of focus for the review and consultation will include the areas highlighted earlier in the report, namely:
- Overall approach – moving from fully choice-based lettings to blended approach.
  - Changes to the way in which people qualify – Local Connection and Housing need
  - The new banding scheme
  - Other categories of change – including financial threshold, bedroom eligibility,



- Refusals and Suspension from the register
- Local Lettings
- What it means for applicants currently on the register.

5.5 Whilst it is difficult to accurately set out a project plan for the next stages of development of a new allocations policy (as we do not know the level of change that may be required to the proposed policy as a result of statutory consultation) a broad project plan is set out below. The plan includes a members' briefing to take place ahead of statutory consultation, to ensure members are in a position to answer queries and support constituents. A further members' briefing will be undertaken ahead of the new policy going live, again to ensure members understand the new policy and are able to explain implications to constituents. It is also proposed that the draft policy, following statutory consultation and incorporating changes arising from that, should be considered by Overview & Scrutiny.

Action	Deadline
Consultation questions and materials assembled	May 2024
Members Briefing	May 2024
Housing Options Staff Briefing	May 2024
Key Staff Briefing	May 2024
Press release Issued to announce the start of the consultation	June 2024
Social Media Post	June 2024
On-line Survey goes Live / Create link on North Norfolk District Council Website and Your Choice your Home website	June 2024
Email to Your Choice Your Home Partners	June 2024
Email / text message to Your Choice Your Home Applicants	June 2024
Email Marketing to support wider promotion with external stakeholders	June 2024
Consultation responses analysed and considered	August 2024
Partner Engagement	September 2024
Housing Options Staff Engagement	September 2024
Members Briefing	September 2024
Final Scheme drafted and presented to Overview and Scrutiny	October 2024
Final scheme presented to Cabinet for approval	November 2024
Communication of Policy Change	November – December
Old System temporary Suspended	January 2025
New Policy goes live	01 April 2025

5.6 Implementation of agreed changes to the Allocations Scheme will require IT changes. It is difficult to accurately assess the level of change required until final recommendations are agreed, but we have already identified that a new on-line application form will be required in addition to reflecting the changes summarised in this report. Some of the costs of the changes will be recharged to Your Choice Your Home partner RPs, who pay an annual fee to the council for administering the housing list and Allocations Scheme. Your Choice Your Home IT software is provided through Locata Housing Services. As part of the Allocations scheme review process we will be working with Locata Housing Services to update the on-line application form along with changes to the back office functions once consultation process has been completed. We estimated that the new Allocation Scheme will go live by 1 April 25.

## **6 Corporate Priorities**

An effective Allocations Scheme which ensures the right homes go the right applicants will help the council deliver its key corporate priority – Meeting our Housing Need.

## **7 Financial and Resource Implications**

The outcome of review of the Council's Allocation Scheme will have an impact on access to homes and implications for the use of TA for homeless households.

The review of the Allocations Scheme can be delivered within existing resources. However, later stages of the review (i.e. IT changes associated with any agreed changes, etc.) will have resource implications. These are not known at this stage and will, if necessary be subject to a further report.

## **8. Legal Implications**

As set out in the report, the Allocations Scheme is a statutory policy and many aspects of policy are governed by legislation. The proposals in the new Allocations Scheme adhere to the relevant legislation. Eastlaw's views will be sought as part of statutory consultation to ensure this.

## **9. Risks**

By working in partnership with our partner RPs we have ensured that the proposed Allocations Scheme is acceptable to them and they remain in partnership, using our housing list and Allocations Scheme for letting their homes.

Modelling of the impact of proposed changes has been undertaken, together with an initial equalities impact screening to ensure there are no unforeseen consequences and no negative equalities implications of changes.

There is a reputational risk to the Council if communications on the review are not clear and if those affected by the review are dissatisfied with the process or the outcome. This is particularly key as all existing applicants will need to re-apply to join the housing list and some will no longer qualify.

## **10. Net ZeroTarget**

No direct implications

## **11. Equality, Diversity & Inclusion**

An Equalities Impact screening has been completed on the proposed changes to the allocations scheme to ensure the council meets its legal obligations under the Equality Act. This is attached as Appendix C.

Appendix C shows that the housing register is made up of a range of different groups in need, the initial screening has assessed how the changes are likely to affect applicants with protected characteristics. Overall the Allocations Scheme has many provisions in place to meet the needs of particular households in the protected groups (disabled people; the elderly people with

support needs), and we have provisions to exercise discretion in exceptional circumstances and where a negative impact may arise.

Following consultation, a further analysis and a full impact assessment will be brought forward with the final Allocations Scheme.

**12. Community Safety issues**

No direct implications

**13. Conclusion and Recommendations**

NNDC is responsible for assessing and addressing housing need in the District. The Council's Allocation Schemes sets out the rules, criteria and procedures that determine how we allocate affordable homes to households in North Norfolk.

The current Allocations scheme has broadly been in place for over 14 years and now requires review to ensure that it is fit for purpose and ensures that there is a consistent and fair approach for our Registered Provider (RP) partners to letting homes to meet the greatest housing needs.

Following consultation with partner RPs and feedback from customers, a proposed new Allocations Scheme has been produced.

The proposed new Allocations Scheme will require statutory consultation before any changes could be implemented

It is recommended that Cabinet:

- Support the proposed allocations scheme summarised in this report and attached as Appendix A
- Agree that NNDC undertake statutory consultation with key stakeholders
- Agree that, following consultation, a further report be brought back to Cabinet for consideration ahead of formal adoption of the Allocation Scheme