



**To: Business, Economy and Enterprise Scrutiny Board (3)**

**19th March 2014**

**Subject: Coventry Homefinder Choice Based Lettings Policy**

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## **1 Purpose of the Note**

- 1.1 For the Business, Economy and Enterprise Scrutiny Board (3) to consider the draft Coventry Homefinder Choice Based Lettings Policy following the re-write requested by the Cabinet Member for Housing & Heritage at his meeting on 11<sup>th</sup> April 2013, before it is presented to Cabinet at the meeting on 15<sup>th</sup> April 2014.

## **2 Recommendations**

- 2.1 Consider the draft Coventry Homefinder Choice Based Lettings Policy, attached as Appendix 1 to the Briefing Note, and forward any comments to the Cabinet for their consideration, together with the report, at their meeting on 15<sup>th</sup> April 2014.
- 2.2 Request that, subject to approval of the Policy by the Cabinet, a review of the impacts of the Policy is carried out following the first full year of implementation and the outcome of the review be presented to the Business, Economy and Enterprise Scrutiny Board (3) for consideration.

## **3 Information/Background**

- 3.1 Coventry Homefinder is the Choice Based Letting system by which the majority of social housing in Coventry is allocated. The Coventry Homefinder Policy was established in September 2007 and has since undergone a number of changes (due to changes in government policy, operational improvements etc).
- 3.2 The Council no longer owns any housing following the Large Scale Voluntary Transfer of all the former Council housing to Whitefriars Housing Group in September 2000. The local authority is still required to have an allocation scheme for determining how allocations are made in order that those who have the greatest need for housing are prioritised. Coventry Homefinder is therefore a partnership between Coventry City Council and Registered Providers of social housing (mostly Housing Associations).
- 3.3 In June 2012, the Department for Communities and Local Government issued new statutory guidance on allocations following the enactment of the Localism Act 2011, which included legislative changes to social housing allocation. Secondary legislation has also been enacted regarding special provisions for former members of the Armed Forces. As a result, many local authorities are re-writing their allocations policies.

- 3.4 The main change brought in by the Localism Act 2011 is that local authorities now have more freedom to determine who is a 'qualifying' person – what groups of people are permitted to join the housing register and be considered for an allocation. This is in addition to the statutory eligibility criteria (which are based mainly on immigration status and habitual residence in the UK). Some local authorities are restricting access to their register based on whether the applicant has a housing need, whether they have a local connection and/or whether they have a high income.
- 3.5 The Government guidance states “we expect social homes to go to people who genuinely need them”.
- 3.6 A Task & Finish Group was set up by the Transport and Infrastructure Development Scrutiny Board (6) to examine these issues, which then made recommendations to the Cabinet Member (Neighbourhood Action, Housing, Leisure & Culture). The Cabinet Member requested that the current Coventry Homefinder Policy be rewritten at his meeting on 11th April 2013.
- 3.7 The full recommendations made by the Scrutiny Board to the Cabinet Member were:
- *The current Coventry Homefinder Nominations and Lettings policy be re-written and named Coventry Homefinder Choice Based Lettings Policy.*
  - *The policy should retain:*
    - *The current banding system.*
    - *The current policy on dealing with customers who turn down successful bids.*
    - *The current annual review of registration, to ensure those on the list still require housing.*
  - *All information in the policy should be available to customers in a user-friendly summary document on the website.*
  - *The new policy should ensure the Council is meeting its statutory duties, including those regarding the military covenant.*
  - *The current 75:25 split for allocation is changed to 100% of the properties on Homefinder are prioritised to those with a housing need (bands 1 and 2).*
  - *Access to registration should remain open to enable those without a housing need to register should they wish to.*
  - *There should be links on the website to information about Housing Associations' other properties out of city, to increase choice.*
  - *There should be clear and easy to find information on the website about the different partner Housing Associations' policies for accepting or refusing tenants, such as rent arrears or anti-social behaviour.*
  - *The Cabinet Member should also consider including links on the Homefinder website to a Council endorsed website providing information about private tenancies, such as the Kirklees model [www.letshelpyou.co.uk](http://www.letshelpyou.co.uk) to increase choice for the customer.*
  - *That any operational or procedural changes to Homefinder be delegated to the Assistant Director (Public Safety and Housing) in consultation with the Cabinet Member providing they are in line with the priorities and strategic approach identified above in the recommendations from the Transport and Infrastructure Development Scrutiny Board Homefinder Task and Finish group.*

The full report of the Task and Finish Group is available at:

<http://democraticservices.coventry.gov.uk/documents/s9529/Homefinder%20Task%20and%20Finish%20Group%20-%20Final%20Report.pdf>

3.8 Consultation was then undertaken with other key stakeholders, following which a new draft Policy was developed. This was subject to an 8 week public consultation from October to December 2013.

3.9 Following this consultation, a final draft Coventry Homefinder Choice Based Lettings Policy has been developed and is attached at Appendix 1.

3.10 **Changes made in the new draft Coventry Homefinder Policy:**

3.11 The main changes that have been made to the Homefinder Policy following the Task & Finish Group recommendations and the further consultation are detailed in the table below.

3.12 The biggest change from the current policy that was proposed, is that all properties that become available will have their shortlists prioritised by band (giving priority to those in housing need) rather than the present situation that 25% of properties have their shortlists prioritised by registration date alone (regardless of housing need). This was a recommendation from the Task & Finish Group. Despite the high demand for social housing, the high number of applicants on the register and the direction given in the statutory guidance, approx. 500-550 properties are currently allocated each year with no consideration of housing need.

3.13 However, during the consultation, concern was expressed by Whitefriars Housing Group that this would negatively affect their tenants that had an aspiration to move, and have been on the waiting list for several years, but do not have an assessed housing need under the legislation. They would find it more difficult to move through the Homefinder system.

3.14 Following further discussions, it is now proposed that all properties advertised through Homefinder have their shortlists ordered by Band but that for up to 10% of properties advertised, the Partner Registered Provider can state that priority will be given to applicants that are current tenants of theirs.

3.15 This would ensure that the majority of properties are prioritised for those with housing need, but would also ensure that current tenants would have the chance to move between properties in their landlord's stock. The Registered Provider would have greater control of a proportion of their lettings and would be able to prioritise their tenants that wish to transfer. The applicant moving would then free up a social housing property to be re-let.

Issue	Current Policy	New draft Policy
<b>Priority bands</b>	See separate table below	See separate table below. CHANGES have been made to some priority bands following consultation with stakeholders, to ensure that the policy meets the legislative requirements, and also to provide greater clarity on some circumstances that result in priority bands being awarded.

Issue	Current Policy	New draft Policy
<b>Shortlisting priority</b>	75% of properties have their shortlists ordered based on the priority band of the bidders who expressed an interest, 25% have their shortlists ordered based on registration date alone.	CHANGE – The proposal was for all properties advertised to have their shortlists ordered based on the priority band (and therefore, relative housing need) of the applicants that have bid. This would mean that applicants would not be prioritised for housing based on registration date alone (the amount of time they have been on the register). This was recommended by the Task & Finish Group and would ensure that applicants with a housing need are prioritised for housing above those that are already adequately housed. However, further discussions with Whitefriars (following their expression of concern at this policy change during consultation) have considered another option. As a result, the recommended Policy change is for all shortlists to be prioritised by band, but for Partner Registered Providers to be able to specify that priority be given to their current tenants for up to 10% of the properties advertised.
<b>Registration date/effective date</b>	The original date of registration is used to prioritise shortlists where more than one person in the same band has placed a bid.	CHANGE - Shortlisted bids in the same band will be prioritised based on the 'effective date' which will be the date that the band was awarded, rather than just the date that the applicant first registered. This will reflect how long the household has been in housing need rather than just how long they have been on the register. Applicants that have been in housing need for a longer period will be prioritised.
<b>Offers of accomm. for Statutorily Homeless households</b>	Statutorily homeless households are placed in Band 1A for one bidding period to place their own bids. If they are unsuccessful, the Housing Assessment Officer places bids in future bidding rounds until a successful match means that the main housing duty can be discharged.	CHANGE – Statutorily homeless households will be placed in Band 1A as an extreme urgent case, but bids will be placed by the Housing Assessment Officer from the outset to maximise the chance of a successful match. Housing Assessment Officers also have the option of discharging the main housing duty with an offer of a suitable private rented property/ tenancy.

Issue	Current Policy	New draft Policy
<b>Advertising adapted properties</b>	Adapted properties are categorised based on the level of adaptation and a brief description of adaptations provided. Applicants who are eligible place bids and shortlists are created in the same way as for all other properties.	CHANGE – adapted properties will be offered directly to people on the register who require the specific adaptations in the property. This may mean that properties are not offered to the applicant with the highest band/earliest date, but will ensure that the best fit is found between the adaptations provided and the needs of the household.
<b>Armed forces personnel</b>	There are no additional priorities for former members of the armed forces over other applicants.	CHANGE - The Policy complies with new legislation by providing additional preference for former members of the armed forces that <b>also</b> have a reasonable preference housing need (priority band).
<b>Refusal of offers</b>	Applicants that refuse 10 or more offers without good reason are requested to attend interview and their application may be closed	CHANGE - Applicants that refuse 5 offers may have their application suspended whilst the reasons for refusal are explored and the application may be closed if the refusals are found not to be reasonable.
<b>Eligibility and qualification</b>	Certain applicants are not eligible to join the register based on immigration status, habitual residence, and behaviour which makes them 'unsuitable to be a tenant'.	TECHNICAL CHANGE – eligibility criteria based on immigration status and/or habitual residence remains the same. The Localism Act 2011 introduced the ability for councils to decide who 'qualifies' to join the register. The draft policy considers those 'unsuitable to be a tenant' as not qualifying to join the register. Home owners do not qualify unless there are specific housing needs/ circumstances. The Task & Finish Group recommended keeping an 'open' register therefore no additional qualifying criteria have been included.
<b>Social Housing Tenants with no housing need</b>	Current social housing tenants who have no housing need under the Policy are registered in the same way as all other applicants.	TECHNICAL CHANGE – social housing tenants with no housing need are no longer subject to Part VI of the Housing Act 1996 (following changes made in the Localism Act 2011). This has been stated in the draft Policy however we will continue to assess these applicants under the same Policy in the same way as all other applicants.
<b>Requesting priority</b>	Applicants are automatically registered in Band 3A or 3B, and must contact the Homefinder Team to request priority banding if they have a housing need.	NO CHANGE – applicants are still required to directly contact the Homefinder Team to request priority banding, however the process and evidence required have been clarified in the Policy.

3.16 The legislation on social housing allocation (Part VI of the Housing Act 1996) states that 'reasonable preference' must be given to households experiencing various housing needs. Local Authorities can decide the relative priority of households in these groups.

3.17 Coventry Homefinder provides this relative priority using a banding system. This system has been retained, on recommendation from the Task & Finish Group; however some changes have been made to the banding and relative priority of certain groups. The Banding system from the new draft Coventry Homefinder Policy is shown in the table below:

Level of Need	Band	Housing Need Category
Exceptional	1A	Statutorily Homeless Households (including National Witness Mobility Scheme)
		Exceptional housing needs due to health difficulties
		Severe Overcrowding – require an additional 2 or more bedrooms
		Tenants of partner housing providers who need to move to enable a redevelopment scheme to go ahead
		Tenants of partner housing providers who are under-occupying a property by 3 or more bedrooms
	1B	Tenants of partner housing providers who are moving to release specialist disabled persons accommodation
		People fleeing violence, harassment or abuse
		Tenants of partner housing providers who are under-occupying a property by 2 bedrooms
		People with an urgent medical need who are also overcrowded
		Extreme Unsanitary conditions causing severe health and safety hazards in the household
Urgent	2A	Urgent housing needs due to health difficulties
		Short term hostel dwellers
		Housing needs arising from Social and Welfare issues
		Overcrowding – require an additional 1 bedroom
		Housing needs as a result of being a “Looked After Child”.
		Unsanitary/unsuitable conditions affecting the health of the household or causing health and safety hazards
		Tenants of partner housing providers who are under-occupying by one bedroom
		Review of Band 1A applicants
Non-Urgent	2B	Low level housing needs due to health difficulties
		Households who need to move to a particular locality, where failure to achieve this would cause hardship to themselves or to others.
		Homelessness Prevention
		Review of Band 1B applicants
	2C	Intentionally Homeless Households
		Homeless households who do not have a priority need
		Households where a main housing duty has been discharged due to the refusal of an offer of suitable accommodation
No/low priority	3A	No housing need with a local connection
		Housing need but no local connection
	3B	No housing need with no local connection

**3.18 Changes to categories of housing need in the bands include:**

- 3.19 An additional category has been added to Band 1A – households who are under-occupying a social home by three or more bedrooms. This is to encourage and enable very large properties to be released for large households who may be overcrowded. It may also assist tenants who are affected by the ‘bedroom tax’ and have had their housing benefit reduced due to under-occupation. Households under-occupying by two bedrooms remain in Band 1B and households under-occupying by one bedroom remain in Band 2A
- 3.20 Applicants who need to move as part of the National Witness Protection Scheme have been placed in Band 1A alongside households who are statutorily homeless.
- 3.21 People fleeing violence, harassment or abuse will be placed in Band 1B. This is an increase from the current policy which would place them in Band 2B.
- 3.22 People who cannot stay in their current home due to extreme unsanitary conditions causing severe health and safety hazards will be placed in Band 1B.
- 3.23 The category for applicants experiencing housing needs arising from social and welfare issues has been separated from those that have housing needs due to medical/health difficulties, for clarity.
- 3.24 Applicants who are living in certain short-term hostels will have their priority increased to Band 2A (from the current Band 2B). This is to enable rapid move-on from short term supported hostel accommodation into independent living.
- 3.25 Households that need to move to a particular locality to avoid hardship will be placed in Band 2B. This is one of the ‘reasonable preference’ categories in the legislation and has been separated for clarity.
- 3.26 Regarding the other recommendations made by the Task & Finish Group, the annual review has been retained to ensure that all details on the register are up to date, and work is continuing on a regional basis regarding a private sector rental website. The West Midlands private sector rental website will be developed by Localpad, who won the regional tender to offer this service.

**3.27 Local Connection as qualifying criteria:**

- 3.28 On 31st December 2013, the Department for Communities and Local Government released additional statutory guidance, strongly encouraging local authorities to include local connection as a qualifying criteria. This would mean that applicants without a local connection to an area, would not be able to register for social housing in that area.
- 3.29 The guidance suggests that applicants should be required to have lived in the area for at least two years. Local connection would also include those with close family or permanent employment in the area, along with exceptions such as the Armed Forces and those fleeing violence.
- 3.30 This is guidance but the underlying legislation has not been changed. The Council has discretion whether to apply this new guidance in its allocations policy.
- 3.31 The Task & Finish Group recommended retaining an ‘open’ register and did not support including restrictive qualifying criteria based on local connection. The Coventry Homefinder Policy does not prevent people registering who do not have a local connection, but those

without a local connection are placed in lower priority bands. They would only be considered for an allocation after those with a local connection who had expressed an interest.

- 3.32 The Coventry Homefinder Policy considers local connection to include applicants that have lived in the city for 6 out of the last 12 months or 3 out of the last 5 years, who have close family members in the city, or are employed in the city. This is in line with the local connection criteria which are applied in a homelessness assessment under Part VII of the Housing Act 1996.
- 3.33 All applicants for social housing are already subject to strict criteria around eligibility (mainly based on immigration status and habitual residence in the UK, and for certain EU citizens, whether they are exercising their treaty rights).
- 3.34 The Coventry Homefinder online registration system allows automatic registration – once an applicant has completed the online registration form, they are immediately placed in Band 3A/3B, given a registration number and able to place bids on properties (provided they meet eligibility criteria). If an applicant then believes they should be placed in a higher band due to their housing needs, they contact the Homefinder Team directly and their circumstances are assessed. Introducing qualifying criteria based on local connection would require every application to be checked and verified before the applicant could be registered and start bidding. This would require additional resources (including staff) and would introduce a delay to the applicant before they were able to use the system.
- 3.35 Therefore, additional qualifying criteria based on a new definition of local connection have not been included in the draft Coventry Homefinder Policy attached for consideration.
- 3.36 **Results of consultation undertaken**
- 3.37 A full Equality and Consultation Analysis has been completed and is attached as Appendix 2.
- 3.38 **Previous Reports and other useful documents**
- 3.39 Previous reports to Scrutiny Boards and the Cabinet Member regarding the redevelopment of the Homefinder Policy can be accessed:
- ‘Coventry Homefinder – Future development and direction’ - Report to the Transport and Infrastructure Development Scrutiny Board (6), 25<sup>th</sup> September 2012.  
<http://democraticservices.coventry.gov.uk/documents/s5157/04%20-%20Coventry%20Homefinder%20Future%20Development%20and%20Direction.pdf>
  - ‘Report back from Homefinder Task & Finish Group’ – Report to the Transport and Infrastructure Development Scrutiny Board (6), 13<sup>th</sup> March 2013.  
<http://democraticservices.coventry.gov.uk/documents/s9529/Homefinder%20Task%20and%20Finish%20Group%20-%20Final%20Report.pdf>
  - ‘Recommendations from the Transport and Infrastructure Development Scrutiny Board (6) on the Coventry Homefinder Nominations and Lettings Policy’ – Report to Cabinet Member (Neighbourhood Action, Housing, Leisure and Culture), 11<sup>th</sup> April 2013.  
<http://democraticservices.coventry.gov.uk/documents/s9979/Homefinder%20Cabinet%20Member%20Report%20-%2027032013.pdf>

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