

## **LOCAL GOVERNMENT AND HOUSING COMMITTEE**

### **SOCIAL HOUSING – EMERGING MODELS FOR ACCESS AND ALLOCATION**

#### **Purpose**

1. To inform members about new thinking on social housing lettings; to update on progress with the Assembly's 'Lettings Sounding Board'; to explain plans to issue new guidance to local authorities and Registered Social Landlords (RSLs) on this subject.

#### **Summary**

2. The Committee is invited to comment on the paper, and to note the process and timetable for issuing new guidance to local authorities and RSLs.

#### **Timing**

3. The work of the 'Lettings Sounding Board' will be completed by the end of October. A revised Code of Guidance on Allocations and Homelessness (for local authorities), and new Regulatory Requirements (for RSLs) will follow; both are expected to be issued by 1 April 2002.

#### **Background – new thinking**

4. In recent years a view has developed that traditional models of allocating social housing, using points based systems reflecting degrees of housing need, may have contributed to the problems of difficult to let and difficult to manage estates, by concentrating severely deprived and disadvantaged households. This, and the fall in demand for social housing in some parts of Wales, has prompted many landlords to investigate alternative approaches to allocating their properties.

5. A debate has developed on the need to produce lettings policies that give *more choice* to applicants. Much attention has focussed on the 'Delft Model', now adopted by about 80% of municipalities in the Netherlands. This uses open-market advertising, once applicants have satisfied a basic test of housing need. Applicants react to adverts by sending in 'housing choice' coupons. The applicant with the greatest priority according to the eligibility criteria, primarily length of time on the list, is selected. Usually, a proportion of vacancies is top-sliced for applicants with urgent or support needs. The system provides a high degree of choice, and is easily understood by applicants.

6. Another debate is focussing on how social lettings can help to create more balanced communities. A number of landlords are developing local, estate-level initiatives that allow some consideration of the needs of the community in addition to the housing need of the applicant. For example some are giving a degree of priority to employed applicants, or to people with family or social ties to a given area. Other related measures include deliberately under-occupying properties to reduce child density, and giving more priority to transfer applicants.

### **Pilot projects and special initiatives**

7. Across the UK, a range of Government backed pilot projects are in progress to test out these new concepts. Here, the National Assembly has provided funding to Charter Housing Association under the Section 16/87 programme to pilot the Delft model in both low and high demand areas within Caerphilly County Borough Council area. The pilot ran from October 2000 to April 2001. Charter say that applicants, tenants and Caerphilly Council all regard the scheme as a success, and we have agreed to its continued use within the Borough. The Directorate will be fully appraising the scheme later this year. This will include an assessment of winners and losers, compared to traditional points based approaches. Similar 'Delft' pilots have and are being undertaken in England, notably at Market Harborough and Mansfield. Further Welsh pilot projects are planned for this year – see para.15 below.

8. In England, the DETR is making available £11 million for pilot schemes, to test out choice-based lettings policies. These involve local authorities and RSLs. The projects began in April, and will run for up to 2 years. Full results will be available by the autumn of 2003. These pilots all focus on one or more of the following:

- Innovative use of information technology
  - Original marketing and advertising schemes
  - Tackling problems of empty and unpopular property and under-occupation
  - Practical ideas for housing advice services which support vulnerable, difficult and excluded groups
  - Local lettings policies
  - Schemes which are sensitive to black and ethnic minority issues.

## **Current policy**

9. The framework governing access to local authority housing is contained

within the Housing Act 1996. Local authorities are required to maintain a housing register from which all allocations must be made. The Act is supplemented by a Code of Guidance on Allocations and Homelessness. For RSLs, the minimum standards for allocations and lettings are set out in Section 7 of the National Assembly's 'Regulatory Requirements'.

## **Better Homes for People in Wales**

10. Following up the recommendation of Housing Strategy Task Group 3, Better Homes for People in Wales commits the Assembly to establishing a 'Lettings Sounding Board', to promote discussion of future policy. There is also a commitment to take account of responses when considering the need for any secondary legislation, and when revising guidance and regulatory standards. The document also commits the Assembly to encourage local authorities and RSLs to collaborate in producing common housing registers.

## **The Lettings Sounding Board**

11. The Housing Directorate has recently established the 'Sounding Board'. From June to the end of October, everyone involved in social housing in Wales is being given an opportunity to comment, via a four-pronged approach:

- i. the Directorate will write to all local authorities and RSLs in Wales plus a wide range of voluntary and statutory organisations inviting comment on the future of social housing lettings;
- ii. articles are being placed in the housing press, inviting all interested parties to express their opinions.
- iii. we are investigating the potential for the development of a special website to enable tenants, housing professionals, and the public to obtain more information, and to provide and discuss feedback.
- iv. Depending on the outcome to this process, a series of feedback events may be held in the autumn. These will be aimed at exploring the ideas that have been put forward in more detail.

12. This approach was felt to be more inclusive than relying on a panel of 'experts'. Respondents are being invited to comment on whether they agree with a number of key principles for social lettings. They are also being asked for their views on what they consider to be the main issues, and on how these should be addressed. Respondents are also being

invited to share any successful innovations, and to tell us about any ideas that did not work, and why.

## **Common Housing Registers**

13. The last decade has seen several debates about the use of common housing registers and the benefits afforded applicants by their introduction. To some degree, the renewed interest in the support for them has come from a successful scheme in Pembrokeshire, which has been in operation since 1995. This involves the County Council, Pembrokeshire Housing Association and Cymdeithas Tai Dewi Sant. All landlords share a common housing application form and information material. Applications are shared between landlords, and relevant details can be accessed by each organisation. Liaison meetings are held quarterly.

14. Since January, a common register has also been introduced in Carmarthenshire. This involves the County Council and four local RSLs: Bro Myrddin, Cantref, Family and Gwalia. Two other authorities, the Vale of Glamorgan and Ynys Mon are known to be working towards a common register; others are exploring the option. To help fund feasibility work, the National Assembly is making funds available this year from the Section 16 /87 Grant programme (see below).

## **Innovation and good practice funding**

15. For 2001/2, £75,000 has been set aside from the National Assembly's Section 16/ Section 87 Innovation and Good Practice grant programme, firstly to support innovative allocations schemes which meet need and increase applicant choice, and secondly to assist in developing common housing registers. Bids are due to be returned by 30 June.

16. This funding will provide an opportunity to pilot several innovative schemes. It is envisaged that 5-6 projects will be funded.

## **Conclusion**

17. Research shows that social housing has increasingly been associated with a range of problems and its reputation has been affected. Most households appear to aspire to owner-occupation and the role of social housing is too often seen as being second best or a stop-gap tenure. In recent years rising levels of turnover and void property have been widely taken as evidence that the demand for public sector housing is not guaranteed.

18. Research commissioned by the Assembly shows that although there are similar concerns on different housing estates, the underlying factors which contribute to the conditions on

different estates are different. There is a need to develop estate-specific strategies and to design these in the light of the real circumstances on estates. The research also suggests that there is a major task in rebuilding public sector housing and rebuilding trust with residents on estates. This may involve providing more incentives and rewards which would encourage the rebuilding of trust between landlord and tenant and greater stability in the tenant population.

19. Further progress reports will be submitted to Committee at key stages in development of this project.

## **Compliance**

20. The National Assembly has powers under Section 75 of the Housing Associations Act 1985, as amended by the Housing Acts 1988 and 1996, and under the Government of Wales Act 1998 to 'facilitate the proper performance of the functions of registered social landlords', and 'to exercise supervision and control over such persons'. It also has powers to 'issue guidance with respect to the management of housing accommodation by registered social landlords' under Section 36, Housing Act 1996, as amended by the Government of Wales Act.

21. There are no issues of regularity and propriety.

## **Cross-cutting themes**

22. The guidance will emphasise the need for an approach which aims to maximise the potential for equal access to housing and related services and which ensures that those who are least able to access such services are suitably empowered to do so. The need to include 'cross-cutting' reviews, for example to look at the whole range of its services to a defined client group, or tenants in a particular area, will be considered an integral towards achieving this approach.

## **Action for Subject Committee**

23. The Committee is invited to note the process and the timetable for introducing new guidance to local authorities and RSLs, and to raise any issues it wishes to with the Minister for Finance, Local Government and Communities.

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