

Cabinet

4 December 2024



**Social Housing Allocations Policy Review –
Consultation on Key Issues**

Report of Corporate Management Team

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Councillor James Rowlandson, Cabinet Portfolio Holder for Resources, Investment, and Assets

Electoral divisions affected:

Countywide.

Purpose of the Report

1. The purpose of this report is to set out why a review of the council's social housing allocations policy is needed and to:
 - (a) outline the key issues and consultation questions that are set out in the allocations policy review issues paper as detailed at Appendix 2;
 - (b) outline the two-stage approach to public consultation and seek Cabinet's approval to commence an eight-week consultation on the first stage to commence in January 2025; and
 - (c) note the requirement for Cabinet approval for the draft policy prior to the second stage of the consultation with adoption of an allocations policy via delegated powers following the second round of consultation.

Executive Summary

2. In accordance with the Housing Act 1996, housing authorities must have a social housing allocations scheme regardless of whether they own housing stock. The allocations policy sets out the council's eligibility, qualifying, and housing need criteria to ensure priority is fairly assigned and allocated to households in the greatest need. It also sets out how

decisions are made on how social housing is allocated and how the council assess applications to the housing register.

3. In County Durham, a choice based allocations scheme is in operation to allocate social housing to people on the housing register, as part of the Durham Key Options (DKO) partnership. The DKO Partnership is made up of Durham County Council and its four key housing partners. The wider partnership is also used to advertise and allocate other types of housing including low-cost home ownership and those in the private rented sector however this consultation is relevant only to how social housing is allocated via the allocations policy.
4. This housing allocation process must be clear, fair, and consistent, and prioritise applicants that are in the greatest need. Considering the current housing crisis and considerable sustained pressure on the supply of social housing, the DKO Partnership, which comprises of Durham County Council and its housing provider partners, believes that the allocations policy requires a comprehensive review and it's the council's responsibility to lead on this review.
5. The proposed vision for the final allocations policy is to:
 - (a) ensure that social housing across the county is allocated consistently and fairly to those in the greatest housing need in an open and transparent way.
6. The objectives of the allocations policy review are as follows:
 - (a) work collaboratively and transparently with DKO partners and other stakeholders, including residents and users of the allocations scheme, to develop a joint allocations policy;
 - (b) ensure that the policy complies with current legislative and regulatory expectations and considers the Code of Guidance issued by central government;
 - (c) ensure that housing is allocated to those most in need;
 - (d) help prevent homelessness and offer a realistic choice to those with a housing need; and
 - (e) contribute to creating balanced and sustainable communities.
7. The outcome of the allocations policy review is that:
 - (a) people in housing need will have access to social housing of the right type and in the right place to meet their needs.

8. The purpose of this first consultation document is to understand the view of the public and key stakeholders on several key issues related to how the allocations scheme works. The council are seeking the views of:
 - (a) registered provider partners;
 - (b) other housing professionals;
 - (c) members of the public; and
 - (d) key stakeholders including current and former applicants on the housing register.
9. Consultation materials will be tailored according to the audience. In the consultation document, the council will be asking consultees if the vision, objectives, and outcomes for the review are correct and then asking a number of questions on six key issues that the partnership believes need addressing to achieve an up-to-date allocations policy.
10. The proposed six key issues to be consulted on are as follows:
 - (a) qualification criteria to access the housing register;
 - (b) better use of social housing stock;
 - (c) local lettings policies;
 - (d) priority of homelessness cases;
 - (e) priority of medical and domestic abuse cases; and
 - (f) monitoring and service standards.
11. A summary of each key issue and the questions that will be asked is contained within the main body of this report.
12. In summary, the allocations policy review gives the council and its partners an opportunity to consult on, and then later agree formally, to a new housing allocations policy that responds to the current housing crisis and policy changes at a local and national level.

Recommendations

13. Cabinet is recommended to:
 - (a) note the content of this report and the allocations policy review issues paper detailed at Appendix 2;

- (b) approve an eight-week public consultation between 15 January 2025 and 12 March 2025 on the allocations review issues paper as detailed at Appendix 2; and
- (c) note the requirement for Cabinet approval for the draft policy prior to the second stage of the consultation with adoption of an allocations policy via delegated powers following the second round of consultation.

Background

14. In County Durham, an allocations policy is in operation to allocate social housing to people on the housing register. The allocations policy, which is sometimes referred to as the 'DKO Policy,' is a shared set of rules on how properties are advertised and allocated. Much has changed since the allocations policy was last reviewed and adopted by the council in 2017.
15. The housing register in County Durham has increased from 7,686 active applicants in 2020 to 10,999 in 2024, a rise of approximately 30%. This is thought to be, in part, due to the cost-of-living crisis. As tenancies and communities have become more sustainable, the number of lets (or turnover of social housing) has significantly decreased in recent years, meaning longer waiting times for those on the register. Prior to Covid, the numbers on the waiting list were higher. The register had approximately 10,000 applicants in 2017 and as many as 17,500 in 2011; however, pre Covid, there was a much higher number of lets and turnover of stock so waiting times for housing were shorter.
16. Properties are currently allocated in order of band and priority date. For example, when properties are advertised, applicants within Band 1 are considered first, then Bands 2, 3 and 4. If two or more eligible applicants with the same band (e.g. Band 1) bid for a property, the applicant with the earliest date has priority. National legislation gives housing authorities the power to create an allocation scheme that gives higher priority to groups of people who fall within the statutory reasonable preference categories and who have urgent housing needs. The council's allocations policy allows the council to give additional priority to:
 - (a) applicants who are severely overcrowded;
 - (b) those with urgent medical needs;
 - (c) those fleeing domestic abuse; and
 - (d) those with a connection to the armed forces.
17. The banding system is ready for a review. In 2023/24, 88% of all lets went to those in Band 1 and Band 2 as more people are presenting with complex needs.
18. The DKO Partnership, which comprises the council and its housing provider partners, believes that due to the current housing crisis and considerable sustained pressure on supply of social rented housing stock, the allocations policy needs to be comprehensively reviewed. This review is also an opportunity to consider whether the DKO

Partnership makes best use of available social housing stock given the considerable and sustained rise in demand since 2020.

Housing Crisis

19. The combination of ageing housing stock in the United Kingdom in need of regeneration and a lack of supply of new houses, including affordable houses, has resulted in a long-term increase in house prices, as well as increasing rents in the private rented sector. This means that owning a property is beyond the reach of many in the United Kingdom and private rented accommodation is becoming increasingly expensive for households as demand increases.
20. Since Covid, the council have seen the waiting list in County Durham increase by approximately 30% and waiting times for social houses have also grown significantly with a reduced number of lets available. The allocations policy needs to reflect the changes in the wider market and the fact that people are presenting with more complex needs and Registered Providers (RPs) are struggling to meet demand for properties.

National and Local Policy and Legislative Response

21. To deal with the housing crisis, both the previous and current Government have made and are in the process of, making some key legislative changes. These include:
 - (a) National Planning Policy Framework (NPPF): the Labour Government is now proposing the re-introduction of mandatory housing targets for individual local authorities, and this has the potential to significantly increase the housing targets in County Durham by 69%; it has also promised there will be much greater emphasis on affordable housing being truly affordable with more social rent products;
 - (b) Social Housing Act 2023: this is being delivered through strengthened consumer regulation via the Regulator of Social Housing. Important for this review of the allocations policy is that under the regulations housing providers should demonstrate that allocations are fair, equitable, and meet local housing needs as required; and
 - (c) housing strategy and the homelessness and rough sleeping strategy: at a county level, both the draft housing strategy and the homelessness and rough sleeping strategy include a review of the allocations policy as a key action; among other things, the draft housing strategy seeks to address the lack of affordable

housing being delivered in the county and the housing strategy refers to the County Durham Plan target of 836 new affordable houses per year to meet need; however, notes that for several years, developers in the county have only managed to deliver approximately half of this need, and has failed to achieve the target of 836 in any of the last 10 years. The council have also had due regard to the Tenancy Strategy 2022-27 which sets out the council's expectations to the registered providers of social housing operating within the county.

22. The homelessness and rough sleeping strategy sets out the authority's vision to eradicate homelessness and rough sleeping. The number of people presenting as being homeless with complex needs has increased significantly. There are increasing pressures in utilising temporary accommodation (TA) due to the lack of council owned stock. This has been exacerbated by the number of people requiring TA in recent years with approximately 145 new households needing placement every quarter in 2023/24. This has resulted in increased costs to the council. The allocations policy review will consider whether the current banding structure provides the appropriate level of priority for homeless applicants.

Durham Key Options Partnership

23. There is an active partnership between housing RPs and the council, and this partnership was established in 2009. The DKO Partnership is governed by a DKO Board that has its own, legally sealed, partnership agreement that sets out Board membership and voting rights.
24. A full partnership agreement is in place with:
 - (a) Durham County Council;
 - (b) Believe Housing;
 - (c) Karbon Homes;
 - (d) Livin; and
 - (e) North Star Housing.
25. The partnership of these five organisations enables a consistent policy and procedural approach to be followed by all registered housing providers and the council when receiving nominations and allocating housing. As part of the partnership, the housing RPs let 100% of their housing stock in County Durham via the allocations policy.

26. In addition to the formal full partnership, a further 15 RPs are signed up to a nomination agreement which assists the council in addressing housing need. This agreement requires the signatories (sub-partners) to nominate at least 50% of their empty properties to be let to applicants from the housing register. The sub-partners are:
- (a) Accent Group;
 - (b) Anchor Hanover;
 - (c) Bernicia Homes;
 - (d) Castle and Coasts Housing;
 - (e) Durham Action on Single Housing;
 - (f) Durham Aged Miners Homes;
 - (g) Gentoo;
 - (h) Hellens Residential;
 - (i) Home Group;
 - (j) Housing 21;
 - (k) Johnnie Johnson;
 - (l) Places for People;
 - (m) Railway Housing Association;
 - (n) Riverside North-East; and
 - (o) Thirteen Group.
27. In terms of the governance of DKO, the sub-partners do not sit on the DKO Board but have a say on procedural issues as members of the DKO steering groups. The steering groups meets regularly to update procedures and working practices related to housing register applications.
28. The council estimates that around 92% (43,000 properties) of available social housing is advertised and allocated via the council's allocations policy.

Consultation on Allocations Policy Issues Paper

29. The first stage in creating a new allocations policy is to understand the key issues relating to allocating social housing and how the council, RPs, and stakeholders, use the policy in County Durham. The key issues paper, as detailed at Appendix 2, has been written by the council following discussions with the RPs on the DKO Board. The project initiation document (PID) was agreed with the RPs on the Board in advance of the council starting work on the key issues paper.
30. The consultation paper on the six key issues is a technical document with questions which go into specific detail regarding housing terminology and how applicants with housing needs can be prioritised. This paper is aimed primarily at engaging with both the council's four full partners and 15 sub-partners. To successfully engage with residents, residents' groups, and other stakeholders, the council has developed a consultation plan and a more accessible (plain English version) document and public survey in conjunction with our consultation team and this will be available in time for live consultation. The Equalities Impact Assessment screening will guide us in identifying groups and partnerships which we should particularly contact to raise awareness of the opportunity to take part.
31. In terms of communicating the consultation, it is proposed to contact those on the housing register to let them know of the consultation and the policy changes which are being considered. It is then up to them whether they respond, but we will be able to demonstrate that we have let them know about the proposals. Current tenants be made aware via RPs websites and comms mechanisms including via tenants' panels and groups. We will also contact our partners and Elected Members. The consultation will also be promoted on the DKO website, and via a variety of social media channels.
32. A second consultation will take place later in autumn 2025 where the council will consider key findings from this consultation paper and provide a revised allocations policy for consideration by stakeholders and the public. Cabinet will approve the final allocations policy, reflecting democratic accountability on the way in which social housing in County Durham is allocated.

Policy Review - Vision, Objectives and Outcome

33. The vision for the final allocations policy is that ensures that social housing across the county is allocated consistently and fairly to those in the greatest housing need in an open and transparent way.
34. The objectives of the DKO allocations policy review are as follows:

- (a) work collaboratively and transparently with DKO partners and other stakeholders to develop a joint allocations policy;
 - (b) ensure that the policy complies with current legislative and regulatory expectations and considers the Allocations Guidance issued by central Government;
 - (c) ensure that housing is allocated to those most in need;
 - (d) help prevent homelessness and offer a realistic choice to those with a housing need;
 - (e) contribute to creating balanced and sustainable communities; and
 - (f) provide a clear mechanism to ensure that the council can be satisfied that the policy is applied fairly and consistently.
35. The output of the objectives is to have an up-to-date joint allocations policy that responds to national and local policy and helps to address the housing crisis. The outcome will mean that more people in housing need will have access to social housing of the right type and in the right place to meet their needs.
36. The first question of the public consultation for both the technical consultation document and the public facing summary is a question asking whether the vision, objectives and outcome are the correct ones.

Key Issues for Consultation

37. For the consultation, the council have broadly split the consultation into the following six key issues:
- (a) qualification criteria to access the housing register;
 - (b) better use of social housing stock;
 - (c) local letting policies (LLPs);
 - (d) priority of homelessness cases;
 - (e) priority of medical and domestic abuse cases, and
 - (f) monitoring and service standards.

Key Issue A: Qualification Criteria to Access the Housing Register

38. With reference to the qualification criteria to access the housing register, the council will ask four questions relating to this key issue.

39. The first question considers whether only people with a recent connection to County Durham should qualify to join the register. The current policy contains a preference to those applicants with a local North East connection at the point when properties are being offered; however, there is no geographical limit within the United Kingdom to people qualifying to join the housing register.
40. The second question considers whether people who do not have a housing need should be allowed to join the housing register in the county. Since Covid the number of properties being allocated to people without a housing need (now in Band 4) has significantly reduced and the partnership is now considering whether it is necessary, in a time of housing crisis, to have people on the register with no housing need. Band 4 has the largest number of people active within it, with 5,477 on the register in 2023/24 and the band accounts for 47% of the register but only 9% of the lets. There were 289 Band 4 lets in 23/24. This is more than double the number of people in TA. These Band 4 lets were allocations for low demand properties, usually located in low demand areas in the East of the county but also 10% were in our more rural communities in the west. 29% of the Band 4 lets were for flats which are also usually in less demand. The council are proposing that any voids created from removing those with no housing need could be better used helping those in genuine housing need to get re-housed. For example, these properties could go to those in current Bands 1-3 or these homes could be better used to house individuals who are in urgent homelessness situations.
41. The third question in this section relates to whether a review of unacceptable behaviour is required and what 'type' of unacceptable behaviour should result in an applicant being excluded from the housing register. Nine types of behaviour are set out and the consultees are asked to select their top five unacceptable behaviours that should result in disqualification from the housing register. This will help the council and its allocation partners understand where an applicant should be disqualified from accessing the register.
42. Under the Localism Act 2011, local authorities and social housing providers have some discretion to exclude people from the register on the grounds of "unacceptable behaviour". Excluding people because of tenancy related matters (i.e. non-payment of rent, damage to property and a history of causing neighbour disputes) is relatively objective and straight forward to assess; however, excluding people for past criminal behaviour is more subjective. When determining how the policy should be framed, it should be recognised that excluding people for non-housing related criminal activity does not mean that they will not end up living in a specific area. People excluded for criminal behaviour may end up living

with friends or family, privately renting a property directly next door to a social housing property or living on the streets. This can make it harder for them to be rehabilitated whilst making it harder for the justice system to monitor their progress and whereabouts and housing providers to respond to complaints from their tenants. Conversely being allowed access to housing can improve people's life chances and help them integrate fully into the community whilst enabling the Police, Probation Service, housing providers and the council to better monitor and support them.

43. Recognising the sensitivity of the question, responders will be given the opportunity to make other comments in a comments box underneath their choices.
44. The final question in this section addresses the issue of an applicant's financial resource when they join the housing register. In the context of the housing crisis and a lack of affordable housing, the council are asking if people who have an income, savings, and equity over a certain amount, should be permitted to qualify for the housing register. In this first consultation, the council are asking about the principle of this, as opposed to specifying a cash threshold.

Key Issue B: Better Use of Social Housing Stock

45. This acknowledges there is a severe shortage of four-bedroom properties and a low turnover of three-bedroom properties when compared with demand. There are two questions in this section. The first question asks what incentives can or should be given to tenants to downsize their current property. The second question asks whether a single person, or a couple, should be entitled to a three-bedroom property when they are waiting to be re-housed. This is allowed within the current allocations policy.

Key Issue C: Local Letting Policies

46. There is one question on LLPs. There are currently 26 active LLPs within County Durham, all of which, deal specifically with new build housing and are sometimes the result of a S106 planning agreements. LLPs introduce additional specific criteria for letting property in a defined area and effectively replace the main allocations policy on the basis that there are important local issues that must be addressed when allocating housing. The national 'Allocation of accommodation: guidance for local housing authorities in England' gives local authorities permission to use LLPs as a local tool to allocate housing to those outside reasonable

preference groups. LLPs are therefore a policy that allows local 'issues' and 'people' to take precedence over the countywide allocations policy. The question in this section asks what local issues are important enough to override the countywide allocations policy.

Key Issue D: Priority of Homelessness Cases

47. The next issue relates to homelessness cases and the first question in this section asks if people who are at risk of becoming homeless (at the prevention stage of a homeless application) should be awarded a higher priority for housing than people who are already homeless (at a relief or statutory stage of homeless application), in order to prioritise homelessness prevention.
48. The second question asks if those applicants living in TA should be awarded the highest priority for housing. This would include all applicants at both a relief and statutory duty stage of their homeless application. It would build on a successful pilot where those in TA were automatically awarded the highest priority grouping on the register.

Key Issue E: Priority of Medical and Domestic Abuse Cases

49. There are two questions in this key issue. They are both related to how in a future allocations policy, the correct priority is given to those who have issues related to medical need and domestic abuse. Presently, all those applicants on the register assessed with non-urgent medical needs or with any type of welfare need, including those victims of domestic abuse, are currently all banded together; therefore, the band currently hosting these applicants (Band 2) contains 75% of the total active applicants on the register who have an identified housing need. Most of this banding, 3,000 people, are in this band for medical or welfare reasons. This section asks questions on how it may be possible to prioritise those with higher medical and welfare needs over those with more moderate medical or welfare needs.
50. We are asking whether any medical category should need to be backed up with appropriate medical assessment and validated by a medical professional.
51. The council are also seeking feedback from all stakeholders if applicants with medical needs should be split into three separate categories; for example:
 - (a) severe;
 - (b) substantial; and

(c) moderate medical need.

52. Secondly, the council are asking whether those people who are current victims of domestic abuse should have their own banding category which prioritises their housing need over other applicants in the general welfare banding. Other welfare reasons could include the need to be near family or friends to give or receive support or people who need to receive or give care and an urgent move is required from their home. It is the council's position that those who are current victims of domestic abuse should be given additional priority over other people in the welfare category.

Key Issue F: Monitoring and Service Standards

53. The council will be asking the public what their impressions and experiences of using the DKO social housing application process is like.

54. There are wide ranging questions within the full consultation document that will be targeted at RPs and housing professionals. This full consultation document on the key issues is detailed at Appendix 2. In time for the public consultation, members of the public will be given a plain English summary of the key issues paper and an easily accessible survey with non-technical questions. The council will replicate the questions across the technical version, the plain English-speaking version, and the online survey to help staff assimilate all consultation responses.

Conclusion and Next Steps

55. Following the eight-week consultation starting in January 2025, the next steps are to consider and, where appropriate, incorporate feedback into an amended allocations policy. Once the feedback has been analysed and considered, there will be a requirement for the new full draft policy to be taken back to cabinet and then subject to another round of public consultation.

56. Having produced this allocations policy consultation issues document, the council now want to open the allocations policy to consultation with:

(a) RPs;

(b) the public; and

(c) a wider group of stakeholders including residents' groups, elected council members and Town and Parish Councils.

Background papers

Existing DKO Allocations Policy.

Allocation of accommodation: Guidance for local housing authorities in England.

Other useful documents

None.

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Appendix 1: Implications

Legal Implications

Local authorities must ensure that they meet the legal requirements of the Housing Act 1996 (as amended by the Homelessness Act 2002), the Localism Act 2011 and the Homelessness Reduction Act 2017. The policy must also have regard to any additional statutory guidance where appropriate.

Section 166A (3) of the Housing Act 1996 gives housing authorities the power to create an allocation scheme that gives higher priority to groups of people who fall within the statutory reasonable preference categories and who have urgent housing needs. The allocations policy allows the council to give higher priority to applicants who are severely overcrowded (overcrowded by two bedrooms) and applicants who need to move for urgent medical reasons. The council give an even higher priority to applicants in these two groups if they have a prescribed connection to the armed forces as set out in the current policy.

The DKO partnership is governed by a DKO Board that has its own legal partnership agreement that sets out Board membership and voting rights.

The Armed Forces Covenant Duty places a legal obligation on public bodies to pay 'due regard to the principles of the Covenant' and requires decisions about the development and delivery of certain services to be made with conscious consideration of the needs of the Armed Forces community.

Finance

The cost of undertaking the consultation will be met by existing budgets in the Strategy and Delivery Team.

Consultation and Engagement

A consultation plan has been drafted. The consultation plan outlines the two-stage approach to consultation and tailors the consultations materials so that it is appropriate for both technical (housing professionals) and non-technical audiences (public, social prescribers, resident groups).

The purpose of the first stage of consultation is to understand the view of the RPs, other housing professionals as well as members of the public and key stakeholders. The consultation will be tailored so consultees will be asked on

the proposed vision and objectives of the DKO Allocations policy review, and the six key issues related to how the allocations scheme works.

There will be a technical paper (appendix 2) for RPs and jargon free public summary document that will be developed in time for public consultation that will be used to consult with the general public, residents groups and other non-housing professionals. This jargon free document will also be used as the basis of the online survey.

As agreed with partners, the questions related to six key issues have been written to avoid pre-determining the outcome of the consultation.

Equality and Diversity / Public Sector Equality Duty

The council acknowledges that, in exercising its functions, it has a legal duty under the Equality Act 2010 to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations. This duty applies to all people defined as having protected characteristics under that legislation. An equality impact assessment (EQIA) is being drafted and a screening has been prepared for Cabinet. A full draft of the EQIA will be ready in time for the second stage of the consultation when a full draft allocations policy will be consulted upon.

The current allocations policy allows the council to give higher priority to applicants who are severely overcrowded (overcrowded by two bedrooms) and applicants who need to move for urgent medical reasons. The council give an even higher priority to applicants in these two groups if they have a prescribed connection to the armed forces as set out in the current policy.

Climate Change

None.

Human Rights

None.

Crime and Disorder

The first question on disqualification asks whether the definition of unacceptable behaviour in the current DKO allocations policy is correct. Unacceptable behaviour is currently defined as:

- (a) they have been convicted of a drug related offence*;

- (b) they have been convicted of a violent criminal offence that the council consider makes them a threat to the local community;
- (c) they have been convicted of a sex-related offence that the council consider makes them a threat to the local community*;
- (d) they have any other conviction which, in the council's opinion, makes them a threat to the local community*;
- (e) they have perpetrated violence, domestic violence, racial violence, or harassment;
- (f) they have been abusive to, attacked or threatened staff;
- (g) they have a history of anti-social behaviour or are subject to an anti-social behaviour order;
- (h) they have a record of unacceptable rent/mortgage arrears to local councils or other landlords/lenders (including associated court costs);
- (i) they have a record of unacceptable garage rent arrears owed to the full partner landlords of DKO (Believe housing, Karbon Homes, Livin and North Star);
- (j) they have been evicted on any of the grounds in Schedule 2 to the Housing Act 1985 or any statutory amendment or re-enactment of it;
- (k) they have unsatisfactory tenancy reports;
- (l) they have damaged a current or previous rented home and owe money for 'rechargeable repairs;' and
- (m) they have knowingly given a false statement or given false information when applying to join our housing register.

** Spent convictions are not considered during our assessment.*

Staffing

There is a resource implication in undertaking the consultation; however, this will be met within the strategy and delivery team.

Accommodation

None.

Risk

The risks pertaining to this DKO allocations policy review are all set out within the PID. The PID was co-produced with the RPs who are part of the DKO Partnership.

Procurement

None.

Appendix 2: Social Housing Allocations Policy Review – Key Issues Paper

Please refer to the attached Social Housing Allocations Policy Review - Key Issues paper.

Appendix 3: EQIA Screening

Please refer to the attached EQIA Screening