

Consultation on Reforms to Social Housing Allocations

Councils with ALMOs Group Response

March 2024

Introduction

CWAG (<https://councilswithalmos.co.uk/>) represents stock owning local authorities where council housing is managed by ALMOs. There are currently 19 local authority members managing around 225,000 properties across England. CWAG is a Special Interest Group of the Local Government Association.

Many of the questions in the consultation document are aimed at individual landlords and their specific approach to allocations. The approach set out in the consultation aims to establish centralised universally applicable regulations, however, as the representative group for councils with ALMOs we would like to highlight the value of enabling and empowering local authorities to determine the most appropriate policies within their local areas. For our members, the more important issue is the chronic shortage of social housing and the wider problems arising from lack of new supply.

Taking each of the proposals in turn, we have the following comments:

UK connection qualification

Members have different views on whether an applicant for social housing should have to demonstrate a 10-year connection to the UK before being eligible to apply for social housing. For most CWAG members very few existing lettings would fail on this criteria.

Given the low number of allocations affected, the change will impose a disproportionate additional bureaucratic burden on landlords as all applicants will need to demonstrate eligibility and possibly undergo a further series of tests to verify this.

There could be an added consequence in that local authority may have a duty to accept an applicant as homeless (because they meet that criteria) but on the other you cannot house the applicant because they do not meet the residency criteria. So, in theory the applicant could spend a long time in temporary accommodation increasing the burden on the General Fund.

Given the current scarcity and existing social housing eligibility rules, any household likely to qualify for social housing will have a high priority need such that the local authority would likely have an obligation to house them anyway. Removing the social housing option may be more costly in terms of public funding as only higher cost TA / private sector options may be available.

Local Connection qualification

Local Authorities already have the option to apply a local connection requirement at allocation stage under the provisions set out in the Localism Act. However, under the current system local applicants may in certain circumstances lose out to other applicants who don't have a local connection but are assessed as having a more pressing housing need. The new two-year local qualification test would give a definite priority to local connection.

Some local authorities would welcome the flexibility of this local connection option, facilitating their work to deliver stable communities and meet local needs. Other authorities facing different pressures may find this rule change unhelpful, obstructing the best use of stock. Given differing local circumstances and priorities, we believe this should be a local decision, not a centrally mandated requirement.

Income Test

We support the underlying principle of ensuring that social housing is allocated fairly; and consideration of income is likely to be a material factor in this. However, a centrally mandated test has the potential to be bureaucratic and costly to administer and maintain whilst not fully delivering the stated objectives.

These issues were apparent when the proposals around 'pay to stay' were being considered. The proposals ultimately proved unworkable for several reasons including difficulties maintaining and updating income information and sensitivities around personal data and GDPR constraints.

Any arrangements would need to be applied both at initial application stage and at offer stage as income can be very variable, even within short time periods. Indeed, establishing current income can be challenging, for example the income of the self-employed can be variable and difficult to evidence; other sectors that utilise income data such as taxation and student finance usually rely on data from previous years, not necessarily reflective of current circumstances.

Exclusion of benefit claimants from the test may act as a disincentive to seeking work, particularly in areas of high housing cost. It is important to ensure social housing delivers for those in low paid employment, not just those dependent on benefits.

Any income test needs to be reflective of the local housing and employment market as there is little point in excluding those in work whose income is insufficient to secure suitable housing via the private market. This will inevitably vary around the country as will the rate of local wages. Income alone isn't the full story either, for example the size of household and number of dependants needs to be factored in.

In areas of unpopular housing / low demand, the priority may be to let properties so they are occupied and meeting the needs of the wider community – ensuring rationing on the basis of income won't be a priority here and may disincentivise attempts to stabilise areas.

A mandatory income test that addresses fairness and consistency issues will inevitably be cumbersome, expensive, and labour intensive to deliver and may well have unintended consequences for certain areas and applicants.

Anti -social behaviour test

Members support the objectives around tackling anti-social behaviour but have concerns that a mandated new test is likely to have counterproductive unintended consequences. For example,

Closure Orders lasting over 48 hours (civil order) are often used in cuckooing cases where the home of a vulnerable person is taken over by a criminal – these Orders are used with the ‘permission’ of the tenant to exclude abusers and enable vulnerable tenants to access support including a possible move of the tenant to alternative accommodation. This scenario would not be possible if Closure Orders fall within the scope of the proposals.

Terrorism Test

This is not a major issue for our members, and we are unsure how this would be implemented in practice.

Many thanks for the opportunity to respond to this consultation. If you require any further information regarding this submission, please contact Alison Freeman (CWAG Policy Officer) email: alison.freeman@manchester.gov.uk