



# Response to Consultation

**Date:** 5 March 2014

**Consultation:** Research to Inform a Fundamental Review of Social Housing Allocations Policy

## Introduction

The Northern Ireland Federation of Housing Associations (NIFHA) represents 26 registered housing associations in Northern Ireland (NI).

Collectively, our members provide 44,200 homes comprising general needs, specialist and supported accommodation. In addition, each year, Co-ownership Housing enables around one thousand first-time buyers to become home owners through their successful shared ownership scheme. Further information on our members and NIFHA's work is available at [www.nifha.org](http://www.nifha.org).

Housing associations are charities and industrial and provident societies. They are not-for-profit social businesses that increasingly secure significant private finance to deliver public benefit in meeting housing need, supporting tenants and investing in communities.

## Background

NIFHA welcomes the opportunity to respond to this consultation. We believe that now is an appropriate time to review social housing allocations, prior to the potential fundamental changes to social housing structures. With social housing being such a scarce resource, it is important to periodically review whether it is being allocated in the most appropriate way, primarily to meet housing need, but also to support other policy objectives.

However it is also important to recognise that the current system works fairly well. Given the nature of our divided society, it is very valuable to have a social housing allocations system that is almost universally trusted as transparent and fair. Therefore whilst improvements can surely be made, it is vital that great care is taken in the reform process. Changes should not be made for change's sake.

## General Comments

NIFHA welcomes a number of the research report's recommendations including:

- Maintenance of universal access to social housing;
- Establishment of a Housing Options Service across NI and a move towards developing enhanced housing options services;
- Continuation of management transfers;
- Review of the classification of properties with specialist accommodation which will sit outside the principal scheme;
- Facility to allow for direct lettings in prescribed exceptional circumstances;
- Promotion of mutual exchange schemes as a mechanism to meet housing need;
- Applicants that have committed anti-social behaviour (ASB) being suspended from the list for up to two years;
- Reduction of the number of reasonable offers from three to two;
- Suspension from the list for a period of one year for those who refuse two reasonable offers.

However, NIFHA has concerns about the following:

- **The Research Process:** NIFHA was represented on the advisory group to help guide the research project. We have concerns about how the project was undertaken and how the research recommendations have been presented. The final report now includes issues, practice and recommendations that had not appeared in the previous reports and which are not based on any identified good practice.
- **Creating a Strategic Independent Allocations Panel (SIASP):** Proposals for a SIASP is the most significant recommendation that has been included in late drafts of the research without discussion or supporting evidence. The monitoring, evaluation and feedback functions suggested for the SIASP are already carried out effectively by the Housing Executive. Housing associations' allocations are already subject to scrutiny by boards and regulation by DSD. Creation of a SIASP would lead to a splintering of regulation, detracting from its overall effectiveness. Establishing another compliance regime would also add considerably to landlords' administrative costs, consuming resources that could be better used providing frontline services. A better approach would be for housing associations to be accountable for their allocations and other activities to a new independent regulator.
- **Local Lettings Policies:** NIFHA supports local lettings policies (LLP) but only in exceptional circumstances. Widespread use of LLP could significantly diminish consistency and transparency in allocations, undermining public confidence. **Rather than through LLP, NIFHA believes that the limited use of landlords' own allocations policies create more mixed balanced and sustainable communities. These could be used to allocate perhaps a quarter or a fifth of social landlords' homes according to policies which would be equality tested and applied throughout Northern Ireland.**

- **Use of Housing Market Areas:** Housing Market Areas (HMAs) are not an appropriate spatial level at which to analyse social housing allocations as their purpose is primarily to monitor private sector housing movements through travel to work trends. Rather than a Housing Needs Assessment process conducted at an HMA level by the SIASP, a practitioner-led approach to social HNA needs to be undertaken and these assessments should be carried out by housing professionals who are objective and have recognised expertise.
- **Equality Issues:** We are concerned that some of the recommendations may not comply with equality legislation requirements. Obviously there will need to be a full equality assessment of any policy proposals emerging from the research. As the Housing Executive has outlined, this would have to cover both potential strategic impacts and accessibility to the system, especially for people in vulnerable groups.

NIFHA would like to see more detail and further work in relation to the following issues:

- **A Banded Approach:** We accept that there are potential advantages in moving towards a banding approach for allocations. However more detail is needed on the type of banding scheme proposed with modelling its likely outcomes in comparison to the current points-based approach.
- **Introducing Choice Based Lettings (CBL):** We support further work towards developing a CBL system for Northern Ireland. Potentially this can be a more customer-centred, bottom-up system which better informs and empowers applicants. However before we can begin to consider implementing CBL across NI, larger scale pilots would be needed in high demand as well as low demand areas, as well as much further work to ensure fair and equitable access to the system for vulnerable people.
- **Transfers:** The establishment of a separate Transfer List is worthy of further consideration. However it is unclear how allocations to transfers and applicants would interact within a banding approach and a choice based lettings system. This will need to be explored and explained as the policy design is progressed. For new-build schemes, 'transfer-led' but not necessarily 'transfer only' allocations should be considered, but with the proportion of lets to transfers set by landlords rather than the proposed SIASP.
- **Building a Shared Society:** The divisions in our society are most acute in areas of social housing. The allocations and broader social housing system has contributed to the self-segregation of people in to areas that are overwhelmingly identified with one or other side of the community. Whilst individual rights and the desire to feel safe and secure must be respected, it is important that every effort is made to ensure any reforms to allocations help reduce rather than further entrench divisions in our society.

## Specific Comments

### PRE-APPLICATION

#### **1. *A Housing Options Service should be introduced in Northern Ireland***

NIFHA strongly favours the creation of a Housing Options Service to provide fuller, more up-to-date information on housing options across tenures, and the support necessary for people to avail of them. However a Housing Options Service would need to be properly resourced to provide appropriate guidance and support to those in most need of it.

Currently Housing Executive District Offices, as well as other organisations such as the Housing Rights Service, provide advice to applicants and tenants, as well as information on housing choices. NIFHA believes that provision of this service by a third sector advice agency or agencies may be the most appropriate to ensure it is trusted by service users to provide independent, impartial advice that fairly presents the pros and cons of housing options across tenures.

A Housing Options Service should not be limited to looking at re-housing options. For example there should be appropriate challenge as well as support for people claiming to be homeless. In Scotland, their Housing Options Service encompasses reuniting families where a family member presents as homeless claiming to have been excluded from the family home. In addition, they help social housing applicants consider private rented sector accommodation and aid applicants through the lettings process by dealing directly with private landlords. For prospective home owners, there should also be support to explore mortgage offers, including Co-ownership and other shared equity schemes, and advice on arranging surveys and conveyancing.

With an ageing population and the commitments in *Transforming your Care* to help people with chronic conditions to live as independently as possible in the community, a Housing Options Service could also provide advice on housing support services such as floating support, and guidance on the range of sheltered, specialist and supported living accommodation available.

### APPLICATION

#### **2. *Universal access to social housing should be retained***

NIFHA strongly supports maintaining universal access to social housing.

### ASSESSMENT

#### **3. *A needs-based approach should be used to prioritise applicants for social housing***

NIFHA supports social housing continuing to be allocated primarily and overwhelmingly on the basis of meeting housing need. Social housing is a scarce and costly resource which should be allocated primarily to those in greatest need.

However Professor John Hills and others have documented the unintended negative consequences of needs based social housing allocations and other policies such as 'Right to Buy'. Hills' report<sup>2</sup> affirms the crucial role social housing plays in the lives of millions of tenants, offering security, stability and a level of quality and affordability that private sector tenants do not enjoy. The vital contribution of social landlords in the regeneration and renewal of communities is also recognised. However the report also documents the polarisation and 'residualisation' of communities as social housing has been increasingly rationed to the poorest and most vulnerable in society.

The residualisation of social housing has accelerated in recent decades, resulting in a concentrating of poverty and deprivation. Many would consider this unjust; a decent society should not marginalise its poorest members, diminishing their life chances. Residualisation can also result in the creation of less sustainable neighbourhoods with the associated housing management challenges.

NIFHA therefore believes that within a system that allocates primarily and overwhelmingly on the basis of meeting of housing need, there is also scope also to support the creation of more mixed and sustainable communities. In the research recommendations this objective is cited in support of the use of local lettings policies (LLP).

NIFHA believes that rather than through LLP, limited scope for landlords to develop and use their own allocations policies would be a more effective mechanism to help create more mixed, balanced and sustainable communities in areas of social housing. These could be used to allocate perhaps a quarter or a fifth of social landlords' homes according to landlords' own policies which would be equality tested and applied throughout Northern Ireland.

#### **4. A banded approach should be adopted for prioritising applicants**

- A. Bands should be ranked to prioritise applicants**
- B. A date-order system should be used to prioritise applicants within bands**
- C. A Priority Dates Scheme should be used for changing circumstances**

NIFHA believes there is merit in further exploration of a banded approach for prioritising applicants.

---

<sup>2</sup> *Ends and Means: The Future Roles of Social Housing in England*, Professor John Hills, ESRC Research Centre for Analysis of Social Exclusion, February 2007

It may be that the current points based system implies an unrealistic degree of precision in distinguishing between applicants with very similar circumstances. Therefore it may be more appropriate to band applicants into groups of need and then allocating in date order. This may be easier for applicants to understand, give them more certainty on whether and when they are likely to be allocated a home, and prevent 'points chasing' to get to the top of points based list. However there is the danger that 'points chasing' might simply be replaced by 'band chasing'.

A banded system was in operation in Northern Ireland before the current points based system was introduced in 2000. The Housing Executive believe that 'band chasing' was widespread under the old model and that resulted in an increasing and disproportionate number of households in the highest (A1) group.

NIFHA therefore recommends further research and modelling to establish the likely impact of the banding of applicants on allocations compared to the current system. There is further work needed to convince applicants, landlords and housing professionals that switching to a banded approach will yield great improvements. NIFHA agrees that even if a banded system is introduced, setting quotas between bands would not be appropriate at this stage as this could dilute the objective of prioritising the meeting of housing need.

## **5. A separate Transfer List should be established**

NIFHA believes it is important that any changes to the allocations system support the creation of mixed, balanced and successful communities that people want to live in. The effective use of transfers can support this objective so NIFHA believes the establishment of a separate Transfer List is worthy of further consideration.

However it is unclear how allocations to transfers and applicants would interact within a banding approach and a choice based lettings system. This will need to be explored and explained as the policy design is progressed.

### **A. The proportion of lets to transfers should be set by SIASP**

For reasons outlined elsewhere in this response, NIFHA strongly objects to the creation of a SIASP.

Landlords should set the proportion of lets to transfers for new build schemes. Developing housing associations will have secured significant private borrowing to enable any new build development, necessitating them taking commercial risk. Housing associations are staffed by housing professionals that are able to assess the tenant mix that is needed to create a mixed and sustainable community. Therefore landlords rather than the SIASP should determine the proportion of lets to transfers.

***B. There should be transfer-led allocations for new build properties***

To support the creation of more mixed, balanced and sustainable communities, and to allow landlords to safeguard their assets, helping maximise their capacity to build much-needed social homes, NIFHA supports transfer-led allocations for new build properties. However a 'transfer-led' system need not always necessarily mean a 'transfer only' approach for new build allocations; as outlined above, landlords should be allowed to exercise professional discretion in setting their own proportion of lets to transfers.

Some argue that transfer-led allocations discriminate against applicants. We disagree, as letting new build properties creates a vacancy chain enabling landlords to resolve several applicants' housing needs from the one new build allocation.

***C. Management transfers should continue***

NIFHA supports the continuation of management transfers.

***6. Mutual exchanges should be promoted as a mechanism to meet housing need***

- A. Transfer applicants should be opted-in to the mutual exchange register***
- B. The inclusion of registered private rented sector properties within the mutual exchange scheme should be explored***

NIFHA and our members support mutual exchanges, including through sector participation in the HomeSwapper website. We agree with the opting-in of transfer applicants to the mutual exchange register, and to exploring the inclusion of registered private rented sector properties to the mutual exchange scheme.

**ALLOCATION**

***7. A Choice Based Letting (CBL) system should be introduced for the allocation of social housing properties in Northern Ireland***

NIFHA is supportive of further work towards developing a Choice Based Letting (CBL) system for Northern Ireland. The many potential advantages of CBL systems are outlined fully in the consultation document, and CBL appears to work well in many parts of the UK (both in high and low demand areas). It does seem appropriate to move to a more customer-centred, bottom-up system which better informs and empowers applicants whilst managing their expectations.

However, given Northern Ireland's unique circumstances, and the potential pitfalls of the failure of any new system, it is vital to proceed with caution. Before consideration begins to be given to introducing CBL across NI, larger scale pilots would be needed in several areas, high demand and low demand, urban and rural. These will usefully complement the smaller scale pilots NIHE is already undertaking which Helm Housing has been participating in.

***A. To widen access, there would be support for those who may be disadvantaged in the CBL system***

All applicants should have the same opportunity to participate in the allocation process on a fair and equal basis. NIFHA could only support the introduction of a CBL system if we are assured that it will operate in a way that does not disadvantage vulnerable groups such as homeless people. We are concerned that it may be difficult to readily identify all those who need assistance. In certain instances, some people, such as those with literacy problems, may also hide their need of help.

Significant funding will be needed to ensure adequate support is available. For example, fewer than half of social tenants have access to a computer or the internet. Digitally excluded applicants will therefore require not just access to a terminal, but support to negotiate the system and make bids.

By the time a CBL system were ready to be rolled-out across NI, access to the internet could have improved significantly. The development of a smartphone 'app' to enable applicants to navigate the CBL system on their phones could have great value.

NIFHA believes the issue of access to the system is fundamental and accessibility arrangements require further consideration, rural proofing and equality screening.

***B. There should be use of an 'Assisted List' approach as a mechanism to support vulnerable and excluded groups***

An 'Assisted List' may be a useful mechanism to ensure appropriate support is available to support vulnerable and excluded groups navigate CBL. However it may be difficult to identify those that require extra assistance and who should be included on any list, although the new Housing Options service could have an important role here. Again there must be suitable funding and support mechanisms to ensure appropriate and sufficient help is available to those people on such a list.

***C. CBL bids should be monitored***

NIFHA agrees that CBL bids should be monitored, but this should be the responsibility of the Housing Executive, or the new Strategic Housing Body when it is established.

**8. *There should be a review of the classification of properties with specialist accommodation which will sit outside the principal scheme***

NIFHA supports this proposal.

**9. *Local Lettings Policies should be used to meet identified local circumstances***

NIFHA supports local lettings policies (LLP) but only in exceptional circumstances, where the criteria and guidance are clearly set out.

LLP have not been used extensively in NI. Housing associations believe that their widespread use could significantly diminish consistency and transparency in allocations, undermining public confidence. We would question whether the potential benefits of local lettings listed in the report are based on sound evidence. The views of stakeholders on expanding the use of local lettings also appear to be absent.

In a divided society, maintaining public confidence in the allocations system is vitally important. We believe that developing multiple LLP across NI could undermine confidence, and might also lead to an increase in people attempting to exert inappropriate influence in the process. There could be many claims of discrimination and legal challenges as the system moved away from prioritising those in greatest need. The burdens for NIHE / Regional Housing Body and landlords in administering and negotiating a multiplicity of LLPs would be considerable, creating additional costs and delays.

NIFHA believes that within an allocations system that primarily and overwhelmingly prioritises the meeting of housing need, there is scope also to support the creation of more mixed and sustainable communities. This objective is cited in support of LLP in the consultation document. However the unintended consequences of the current needs-based system, such as the 'residualisation' of the social housing stock, are to be found across Northern Ireland, even if their effects are more acute in particular neighbourhoods. Region wide approaches to tackle these are therefore more appropriate, at least in the first instance.

NIFHA believes that the limited use of landlords' own allocations policies could help here. These could be used to allocate perhaps a quarter or a fifth of social landlords' homes according to landlords' own policies which would be equality tested and applied throughout Northern Ireland. Criteria to create more mixed, balanced and sustainable communities could be included in these policies, such as to support a better mix of people of different ages and working status.

**10. *There should be a facility to make direct lettings in prescribed exceptional circumstances***

NIFHA supports this proposal. However, the circumstances in which direct lettings are used should be truly exceptional. There must be absolute clarity on the circumstances in which this mechanism is used and transparency in reporting. If a CBL system is introduced then the continued facility to make direct lettings in exceptional circumstances would be essential.

**11. *Applicants that have committed Anti-Social Behaviour should be suspended from the list for up to 2 years***

NIFHA agrees with this proposal and would like to see this clarified in the forthcoming ASB Bill. Specifically, we would value greater detail on what is meant by the term 'committed anti-social behaviour', as well as further clarification on how the operational procedures would work. Otherwise there is significant potential for confusion and challenge.

**12. *Applicants should receive a maximum of two reasonable offers***

***A. There should be suspension from the list for a period of one year for those who refuse two reasonable offers***

NIFHA supports this proposal. However, our members believe that there is a need for clarity around simultaneous offers, which are currently not considered reasonable. NIFHA also understands that those individuals that are disqualified remain on the allocations list, and that housing associations should be able to access information on such cases as required.

To support the creation of a shared society, offers of a social home in a Shared Future scheme should not be able to be reasonably refused on the basis that it is a shared scheme. Therefore such refusals should be counted towards the two reasonable offers.

## **MECHANISMS FOR IMPLEMENTATION**

**13. *A Strategic Independent Allocations Scrutiny Panel should be established***

NIFHA strongly opposes the establishment of a SIASP. Whilst most of the research proposals reflect on and develop good practice elsewhere, there is no precedent for the Panel in the other UK jurisdictions.

Housing associations welcome robust scrutiny. Associations' allocations, like all other aspects of their businesses, are already subject to scrutiny by boards and regulation by DSD. No evidence has been presented that current structures have failed in this area. Wherever possible, discrete elements of housing associations' businesses should not be separately regulated and inspected. To do so creates great risks of an incoherent and even more burdensome compliance regime. Housing associations are already subject to DSD, RQIA and Charity Commission regulation, as well as the Supporting People QAF and other inspection processes. Adding further compliance regimes through the creation of the SIASP (and the rent panel mooted through the SHRP) will lead to a splintering of regulation, detracting from its overall effectiveness and adding considerably to landlords' administrative costs.

The monitoring, evaluation and feedback functions suggested for the SIASP are already carried out effectively by the Housing Executive. These functions are planned to be transferred to the Strategic Housing Authority as part of the SHRP. We believe they should be performed by housing professionals based in a non-departmental government body.

#### **14. Allocations should be monitored using Housing Market Areas**

NIFHA disagrees with this proposal. Whilst monitoring of allocations may be helpful, this should continue to be conducted by housing professionals in the Housing Executive until the new Strategic Housing Body is created.

We do not believe that the eleven Housing Market Areas (HMAs) is an appropriate spatial level at which to analyse social housing allocations. Their use is primarily to monitor private sector housing movements through travel to work trends. Social housing geographies are localised around family and community support networks whose tenants have less housing mobility due to affordability pressures.

We share the concerns of the Housing Executive that the report appears to be recommending a social Housing Needs Assessment process conducted at an HMA level by the SIASP. It is the Housing Executive's statutory responsibility to undertake social housing needs assessments for Northern Ireland, using a robust, peer-reviewed process. We believe that this should continue.

The weak policy support for housing in the draft Strategic Planning Policy Statement (SPPS) risks leading to a significant under-provision for all housing in new local authorities' development plans. Current planning policy (in PPS12 & PPS21) requires the Housing Executive's Housing Needs Assessments (HNA) to be taken in to account when allocating housing land. The planning authorities (DOE and PAC) require NIHE to produce HNA at local and settlement levels. These provisions should be included in the final SPPS. However if social market trends were to be monitored at HMA level only, NIHE would not be able to fulfil its duties within the planning system or for councils' community plans as may be required in forthcoming legislation.

NIFHA therefore believes that a practitioner-led approach to social HNA needs to be undertaken and that these assessments should be carried out by the Housing Executive (or Strategic Housing Authority), by housing professionals who are objective and have developed expertise in this process.

## **LONGER TERM**

### ***15. There should be work towards developing Enhanced Housing Options Services***

Once a Housing Options Service is established, NIFHA would support work towards developing an enhanced service. This should be progressed through a partnership including the advice sector, landlords, tenant groups and Health Trusts.

### ***16. The introduction of a Quota System should be explored***

#### ***A. There should be provision for quotas to be varied between HMAs***

Notwithstanding the potential drawbacks of a banded approach, NIFHA is open to the exploration in due course of a quota system that still prioritises those in greatest housing need whilst giving others on the list some chance of being allocated a social home. This could also support the creation of more mixed and sustainable communities.

As part of any exploration, there is obvious merit in considering adjusting any quotas in line with need and demand in different geographical areas. Obviously it would be vital to exercise any flexibilities in an open and transparent manner following careful consultation with tenants, landlords and others.

**NIFHA**

March 2014