

Housing Select Committee

Report title: Allocations Policy Review and Choice-based Lettings Update

Date: 4 January 2024

Key decision: No

Class: Part 1

Ward(s) affected: All

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Outline and recommendations

Housing Select Committee are asked to note the briefing.

Tim	eline of engagement and decision-making
11 November	Proposed Allocations Policy changes presented to Mayor and
2020	Cabinet, with recommendations to consult
18 November 2020	Proposed changes presented to Housing Select Committee
27 November 2020 – 14 March 2021	Public consultation
7 June 2021	Consultation report presented to Housing Select Committee
16 September	Draft Allocations policy presented to Housing Select
2021	Committee
6 October 2021	Allocations Policy approved at Mayor and Cabinet
31 October 2022	Allocations Policy implemented

1. Summary

1.1. This report sets out the impact of the revised Allocation Policy, it summarises the changes which were made and the intentions behind those changes. It goes on to set out the lettings made over the past year and whether the intentions for the Policy revisions have been realised.

2. Recommendations

2.1. Housing Select Committee are asked to note the briefing.

3. Policy Context

- 3.1. Section 166a of the Housing Act 1996 requires local housing authorities to have a policy in place for determining priorities and procedures to be followed in allocating housing.
- 3.2. The Allocation Policy must set out the Council's policies relating to the allocation of social housing and the procedures and processes used by officers to implement those policies.
- 3.3. Priority for accommodation must be given to the groups who fall within the statutory reasonable preference categories, namely:
 - people who are homeless (within the meaning of Part 7 of the Housing Act 1996)
 - people who are owed a duty by a local housing authority
 - people occupying insanitary or overcrowded housing, or otherwise living in unsatisfactory housing conditions
 - people who need to move on medical or welfare grounds
 - people who need to move to a particular locality in the district of the authority, where failure to meet that need would cause hardship (to themselves or to others).
- 3.4. The contents of this report are consistent with the Council's policy framework. It supports the achievements of the Corporate Strategy objectives:
 - Tackling the housing crisis Everyone has a decent home that is secure and affordable.
- 3.5. The contents of this report support the achievement of the following Housing Strategy 2020-26 objectives:
 - Preventing Homelessness and meeting housing need.
- 3.6. The contents of this report also support the achievement of the following Homelessness Strategy 2023-26 objectives:
 - Supporting people to access a stable and secure home.

4. Background

- 4.1. The Allocation Policy was reviewed extensively in 2012, in response to the Localism Act 2011 and the Code of Guidance on Allocations June 2012.
- 4.2. In 2017 further changes were made in response to increasing demand for social housing and rising homelessness levels and the Allocation Policy was supplemented by an Annual Lettings Plan. Over time it became clear that amendments to the allocations policy were needed to ensure that it reflected current priorities, and to ensure that applicants with most acute need are prioritised.
- 4.3. Based on the housing landscape, and demand in Lewisham, the priorities for the Allocations Policy were:
 - Reducing the number of homeless households who are living in unsuitable and costly temporary accommodation;
 - Reducing under occupation and severe overcrowding;

- Supporting independent move-on for single vulnerable households who are currently housed in supported and semi-independent accommodation;
- Supporting those who are fleeing domestic abuse
- Supporting the regeneration of designated housing estates.
- Delivering on our corporate responsibilities, including in our role as a corporate parent and in relation to members of the armed forces who are in housing need.

5. Allocations Policy 2022 - main headlines

- 5.1. The current Allocations Policy was introduced in October 2022, following a full consultation and engagement exercise. In summary, the changes made were as below:
 - Introduction of Band 4 and changes to current bandings and introduction of statutory overcrowding measures
 - Reassessed bandings for homeless applicants
 - Introduction of Smart Lettings
 - Changing the current three offer rule to a two-offer rule
- 5.2. Following the above changes, the housing register bandings shifted to reflect these changes and the current housing register numbers are as below.

Band	Band Reason	Count of Applications
1	Decant	46
	Homeless (property hand back request)	164
	Leaving Care	48
	Emergency priority	57
	Medical	11
	Release adapted property	3
	Retiring LBL tenant Employee (Tied tenancy)	3
	Succession	15
	Under occupying	410
Band 1		757
2	Former Armed Forces Personnel	5
	Homeless (with additional need)	36
	Management discretion	29
	Medical	519
	Overcrowded by 2 bedrooms and statutory overcrowded	31
	Overcrowded by 3 bedrooms or more	5
	Required to return following decant	1
	Supported housing move on	107
Band 2		733
3	Employment	2
	Former Armed Forces Personnel	3
	Homeless	2332
	Management discretion	5
	Medical	941
	No rehousing reason	202

	Overcrowded by 1 bedroom with statutory overcrowding	80
	Overcrowded by 2 bed or more	503
	Succession	1
	Under occupying	3
	Welfare affordability	4
	Welfare give or receive support	7
	Welfare housing for Older People	518
Band 3		4601
4	No rehousing reason	151
	Overcrowded by 1 bed	4544
	Statutory overcrowding	12
Band 4		4707
Total		10798

5.3. Lettings made by financial year and relevant band of the households for recent financial years are shown below. The Allocations Policy was introduced on 31st October 2022, so the 2022/23 figure includes 5 months of data for the new policy, and 7 months for the previous policy.

Band	21-22	22-23	23-24 to date
1	236	205	198
2	184	206	158
3	488	580	333
4		43	51
(blank)	12	11	17
Grand Total	920	1045	757

5.4. Lettings by bedsize and financial year are shown below.

Bedrooms	21-22	22-23	23-24 to date
1	393	415	313
2	307	372	263
3	131	159	120
4	28	43	17
5	1	3	1
Studio	60	53	43
Grand Total	920	1045	757

5.5. The below table shows the lettings by band reason before and after the introduction of the 2022 Allocations Policy. The Before column refers to the financial year 21/22 and 22/23 prior to October 2022, and the After column refers to the period from November 2022 onwards.

Band Reason	After	Before	
Decant		9	5
Homeless	4	123	288
Leaving Care	=	101	103

Management discretion	102	176
Medical	132	171
No rehousing reason	11	6
Overcrowded by 1 bed	84	249
Overcrowded by 2 bed or more	36	175
Release adapted property	1	
Retiring LBL tenant Employee (Tied tenancy)		4
Succession	1	2
Supported housing move on	96	167
Under occupying	54	82
Welfare housing for Older People	72	117
(blank)	20	20
Overcrowded by 2 bedrooms and statutory overcrowded	7	
Overcrowded by 1 bedroom with statutory overcrowding	7	
Overcrowded by 3 bedrooms or more	1	
Grand Total	1157	1565

6. Allocations Policy Change 1: Overcrowding

- 6.1. This change covered the introduction of new overcrowded rehousing reasons. The change was to reflect the council's intention to ensure that those with the most pressing need are prioritised for accommodation, including those who are most chronically overcrowded.
 - Overcrowded by 3 bed rehousing reason placed in Band 2,
 - Overcrowded by 2 bed being placed in Band 3 and
 - 'Overcrowded by 1 bed being placed in Band 4.
- 6.2. The council recognised concerns raised in consultation responses regarding overcrowding, so the policy was adapted to includes these changes with some caveat to help mitigate the impact for those who may be statutorily overcrowded. The approach meant that both the bedroom standard and size standard is now used to assess overcrowding.
- 6.3. The approach was considered a fairer way to separate out the various degrees of overcrowding experienced by residents. For example a couple with two teenage children of the same sex living in a small 1 bedroom property, and a single parent and young child in another 1 bedroom property were both previously considered to be overcrowded by 1 bed and thus banded the same.
- 6.4. Further changes were made to give greatest priority to those who were most severely overcrowded. Applications from households lacking one bedroom were placed into a new Band 4. Depending on the room size and household composition, applicants in these circumstances may qualify for a higher band due to statutory overcrowding.
- 6.5. The approach meant that overcrowded households meeting the following criteria could update their information and are placed in bands as per the table below:

Criteria	Priority Band
Overcrowded by 3 beds or more	2

Overcrowded by 2 beds & statutorily overcrowded	2
Overcrowded by 2 beds & not statutorily overcrowded	3
Overcrowded by 1 bed & statutorily overcrowded	3
Overcrowded by 1 bed & not statutorily overcrowded	4
Statutorily overcrowded but not overcrowded using the bedroom standard	4

- 6.6. The integrated Housing IT system, Locata, was developed to reflect the changes being implemented by the new allocations scheme and training was delivered to all users.
- 6.7. Housing register applicants were invited to input the dimensions of the bedrooms in their properties directly onto their housing register applications, and to add their household make up in order to calculate whether they are statutorily overcrowded.
- 6.8. An automated feature of the system recognises if the measurements entered by the applicant are not in the correct range of measurements we would expect, it will flag to them that they need to relook at what has been input.
- 6.9. If a client is living in a housing association property, who are a full partner of the council, the applications filter through to the landlord where the application is reviewed, validated, and reprioritised if necessary. All other cases are dealt with by Lewisham Council.
- 6.10. An analysis of the lettings data for overcrowded households over the first operational year of the new allocations policy has shown that lets to overcrowded households have reduced: 79 lets to overcrowded households have been made to date in the 2023/24 financial year. This compares with a total of 208 lets to overcrowded households in 2022/23 financial year (which included 5 months of the new allocations policy), and 272 lets to overcrowded households in 2021/22.
- 6.11. The numbers of lets to households with severe overcrowding continues to be low, due to the availability of larger properties. Only one property has been let to date to a household overcrowded by 3 beds (however there are only 5 households on the housing register with this rehousing reason).
- 6.12. The table at 5.2 shows the bandings and relevant rehousing reasons, within each banding, for all housing register applicants. With regards to Statutory Overcrowding this shows that a total of 123 households have had their application uplifted to take account of their statutory overcrowding circumstances.
- 6.13. Lets of larger bedroom properties have changed since the 2022 Allocations Policy as below. The Before column refers to the financial year 21/22 and 22/23 prior to October 2022, and the After column refers to the period from November 2022 onwards.

Rehousing reason for lets of 3, 4 and 5 bed properties	After	Before	
Decant		3	3
Homeless	(59	12
Leaving Care		1	

Grand Total	217	286
(blank)	2	
Under occupying	3	5
Retiring LBL tenant Employee (Tied tenancy)		2
Overcrowded by 3 bedrooms or more	1	
Overcrowded by 2 bedrooms and statutory overcrowded	7	
Overcrowded by 2 bed or more	34	154
Overcrowded by 1 bedroom with statutory overcrowding	1	
Overcrowded by 1 bed	17	22
No rehousing reason	2	1
Medical	63	48
Management discretion	14	39

- 6.14. The numbers of applicants and transferring tenants engaging and updating their on-line housing applications to be assessed for statutory overcrowding is relatively low. All applicants were advised of this change and it continues to be promoted by both the Housing team and the Call Centre. Probable reasons for the lack of engagement include clients did not note the letter sent to them advising of the change and what action they need to take and it could also be possible that due to lengthy waiting times clients feel no sense of urgency to complete a change in circumstances form.
- 6.15. Despite being advised to by officers, very few clients follow up and send in a change in circumstances form. Once a change in circumstance form is received, feedback from officers indicates that a notable proportion meet the requirements for statutory overcrowding.
- 6.16. Officers are not able to extract specific information to analyse the total number of enquiries relating to the banding changes. Officers do observe however, that many enquiries were received from clients who were concerned that their priority had changed from Band 3 to Band 4. Clients were advised of the reasons for this and it appears many had not read the letter which was either emailed or posted to them. Clients were directed to the letter to enable them to take any necessary action.

7. Allocations Policy change 2: Creation of a 'homeless with additional need' rehousing reason

- 7.1. The change covered the introduction of a new 'homeless with additional need' rehousing reason, which was added to Band 2. Those homeless households who did not meet the additional criteria remained in Band 3.
- 7.2. The change reflected the pressing need for the council to support homeless households into permanent accommodation and to ensure that households with additional needs are prioritised for social housing.
- 7.3. The households eligible for this category are those who have the highest priority under the Location Priority Policy or have been determined to be unsuitable for a Private Rented Sector Offer under the PRSO policy.
- 7.4. Homeless with additional need priority ensures that the Council can respond to homeless applicants who have been identified as having a need to remain within the Borough, or for whom other tenures such as renting in the private sector is untenable.

- 7.5. The integrated Housing IT system, Locata, was developed to reflect the changes being implemented by the new allocations scheme and training was delivered to all users in order to facilitate the creation of the new 'homeless with additional need' band 2 priority.
- 7.6. Existing homeless band 3 housing register applicants were written to inviting them to complete a 'change in circumstances' application for an assessment to determine whether they were eligible for the 'homeless with additional need' priority band 2.
- 7.7. New homeless applications are assessed at point of decision of accepting a homeless application for priority band 2, 'homeless with additional need'. Since the Allocations Policy changed, 20 homeless households have been rehoused from band 2 due to their uplifted priority for additional need. The housing register table at 5.2, shows that a further 36 homeless households have had their applications uplifted to band 2, 19 of which were for medical reasons.
- 7.8. The council has seen a significant increase in the number of property handback requests from landlords who are currently accommodating households in temporary accommodation. The reasons behind this are discussed in detail within the TA Supply and Procurement report also presented to Housing Select Committee.
- 7.9. Those homeless households in properties with a handback notice are prioritised on the housing register in Band 1 with a Homeless rehousing reason. Since the Allocation Policy changed, 58 homeless households have secured accommodation due to a Band 1 Homeless rehousing reason. A further 164 households are in Band 1 on the housing register, due to a Homeless rehousing reason.

8. Allocations Policy change 3: Smart Lettings

- 8.1. Smart Lettings ring-fences up to 20% of properties per annum to transferring tenants, who are already living in social housing. The resultant void is then prioritised for a household that is living in temporary accommodation.
- 8.2. This arrangement sought to address the substantial decline that the council has seen in the number of social lets available in recent years. Smart Lettings is intended to help create churn in lettings. This churn leads to additional properties becoming available for those in need and is an effective way of increasing the number of social lets available to those on the housing register without increasing the overall stock size.
- 8.3. Locata was developed to identify the initial properties to be ringfenced. This was based on a set of criteria we applied to ensure a range of property types and bedsizes were included.
- 8.4. There were some early issues with the development of this function within Locata which meant this automatic feature did not work for the first few weeks, which meant officers were initially required to manually identify properties, using the same criteria as was programmed into Locata, to ensure a mix of property type and bedsizes.
- 8.5. There is an ongoing issue whereby Locata is not updating the resultant void to be prioritised for homeless households. Officers are manually changing the preference for these properties when they come up for re-letting and are keeping records of these lets.

- 8.6. There have been 109 Smart Lets in total to date, comprising 4 x 1 beds, 64 x 2 beds, 34 x 3 beds and 7 x 4 beds.
- 8.7. To date there have been 39 resultant lets as a result of voids created by Smart Lets. This number is lower than the total 109 Smart Lets to date, as not all of the subsequent lets have been resulted to date and some are awaiting void works to be completed.

9. Allocations Policy change 4: Two offer rule

- 9.1. This change meant all groups who were previously eligible to decline three offers before their application was suspended would only be able to decline two offers in future. For fairness and due to technical restrictions, all applicants were re-set back to two offers, even if they had previously declined an offer.
- 9.2. In reducing the number of offers that applicants are entitled to, the council was looking to facilitate more prompt letting of homes, and to encourage residents to only bid for properties they are willing to live in.
- 9.3. The council recognises that sometimes applicants reject offers for valid reasons they were not aware of at the time of bidding. A list of both 'reasonable' and 'unreasonable' reasons for refusal for those applications that have a limited offer policy was compiled and Locata was developed to automatically suspend applicants who refuse reasonable offers. There is an override facility for cases where this is required.
- 9.4. Officers report that clients have tended to change their mind about refusing a property when they realise that they are on their second and final offer.
- 9.5. There continue to be some administration difficulties with this process, and the Housing team are working alongside partner RPs to ensure landlords are selecting the right refusal reasons within Locata.

10. Allocations policy: further objectives

- 10.1. Further aims of the allocations policy were to:
 - Support independent move on
 - Support those fleeing domestic abuse
 - Support regeneration
 - Deliver on our role as a corporate parent and to supporting members of the armed forces who are in housing need
- 10.2. Figures for 2022/23 and 2023/24 show the percentage of lets for supported housing move on have increased very slightly, from 8% to 9% of lets.
- 10.3. For the same period, the percentage of properties let to care leavers has increased from 6% to 9% of lets.
- 10.4. Households / individuals currently living in social housing in the borough who are experiencing Domestic Abuse are supported via two different routes, depending on their circumstances and areas of safety. They are either able to apply to the Emergency Housing Panel for provision of alternative accommodation in the borough, or they can submit a homeless application for access to advice and support, as well as temporary accommodation outside of the borough if that is required to enable their safety. 14 households have been moved by the Emergency Housing Panel due to Domestic Abuse since October

2022.

- 10.5. So far this financial year, 84 lets have been made to new build properties, this compares to 101 for the 2022/23 financial year and 99 for the 2021/22 financial year.
- 10.6. There are eight applications from former armed forces personnel on the housing register.
- 10.7. The Trading Places Under Occupation Scheme (TP) supports tenants living in larger homes wanting to move into smaller homes, within the borough of Lewisham or via Seaside & Country Homes.
- 10.8. The main purpose of this scheme is to help those that are:
 - Wanting to move into a smaller property
 - Affected by the bedroom tax BTAX (spare room subsidy)
 - Tenants that could be in rent arrears (up to £800). Arrears are often as a consequence of the BTAX deduction.
 - Releasing these larger homes help both homeless families and overcrowded transferring tenants (via ringfencing)
- 10.9. TP supported 62 moves in 2022/23 and 32 moves to date in 2023/24. A further 22 tenants are shortlisted to properties. The bedsizes released as a result of TP moves since April 2022 are:

Bedsize	Number
2 beds	34
3 beds	45
4 beds	10
5 beds	3
6 beds	2

- 10.10. There are currently 165 tenants registered with TP bidding each week. Average wait times can be lengthy as it is a choice based letting service and applicants can therefore use their preference to apply for properties of their choice.
- 10.11. Moving forwards, further verification and oversight work will be carried out to look at all applications on the housing register to ensure clients are reminded to update their information and place bids. Within the clients registered for the homeless rehousing reason, officers can see that 65% are bidding regularly. 30% however have never placed a bid and 4% have bid in previous years, but not recently.

11. Housing Select Committee: specific queries

- 11.1. The Housing Select Committee raised some additional queries which have been noted *below*, alongside supporting data, or referral to sections within this paper, in response to these queries.
 - The number of choice based lettings over the last year and how much that has gone down in comparison with previous years
 - How the number of choice based lettings compared with the number of

direct offers or lets and management bids.

11.2. Management bids are made for applicants where we owe the main housing duty and can be used in cases where applicants are accessing or leaving supported accommodation, and for those with exceptional needs. The emergency housing panel will hear cases where circumstances require an offer of accommodation to be made outside of CBL. As can be seen from the table below, the numbers are very low per year.

Year	Number of lets via CBL	Management bids	Total number of lets
2021/22	910	10	920
2022/23	1037	8	1045
2023/24 to date	742	15	757

- How many reviews/appeals there are of choice based lettings and how that compares to reviews/appeals of direct offers and management bids. How many reviews/appeals are successful.
- 11.3. Reviews may submitted by clients experiencing a range of specific circumstances, but generally the reviews received only relate to those subject to 'one offer only' via the Allocations Policy.
- 11.4. The Emergency Housing Panel have made 11 management bids for EHP approved clients who have not been engaging in the bidding process. Of these, 3 have submitted a review.
- 11.5. Of the households accepted under Part 7 for a homeless application, 17 have gone on to submit a review following their offer of accommodation under Part 6 the allocations policy. Officers are working to establish whether these review requests were submitted by applicants who made a bid via CBL or if they were as a result of management bids.
 - The length of time an applicant must wait, between successfully bidding and moving in.
- 11.6. The length of time per band between bidding cycle and the let date is shown below.

Band	Average of Duration in Days between bidding and letting	
1		49
2		53
3		55
4		55

- A breakdown of the numbers of successful bids into banding, i.e. how many Band 1,2,3 etc.
- 11.7. This is shown in the table at 5.3 above
 - How the changes to the Allocation Policy implemented last year have impacted on successful bids, e.g. how many people have been

successful because they were statutorily overcrowded.

11.8. This is answered at 5.5 and 6.12 above. 14 households have been successful in bidding following their uplift in banding due to statutory overcrowding.

12. Financial implications

- 12.1. Housing Select Committee are asked to note the contents of this briefing report and, as such, there are no direct financial implications.
- 12.2. Current housing issues experienced both nationally and in-borough are putting severe pressure on the council's housing allocations and budgets. There are significant costs associated with housing generally, including managing the allocations service, managing the provision of council housing, and providing services to those experiencing homelessness or the threat of homelessness.
- 12.3. All of these are affected over time by the demand for housing. The allocations policy is the means by which that demand is allocated to existing properties.

13. Legal implications

13.1. The allocation of housing by local housing authorities is regulated by Part 6 of the Housing Act 1996 (HA 1996). Section 166A (1) of the HA 1996 provides that every housing authority must have an allocation scheme for determining priorities between qualifying persons and as to the procedure to be followed. This report, which is for noting only, contains a review of how the Council's current allocations policy has been implemented and applied.

14. Equalities implications

14.1. A full equalities impact assessment was undertaken for the Allocations Policy and is monitored as part of periodic reviews assessing the impact of the changes made.

15. Climate change and environmental implications

15.1. There are no anticipated climate change and environmental implications.

16. Crime and disorder implications

16.1. There are no anticipated crime and disorder implications.

17. Health and wellbeing implications

17.1. The Allocations Policy gives preference to residents with medical need (classified in terms of Exceptional medical need, High medical need and Low medical need).

18. Report author and contact

- 18.1. Fenella Beckman, Director of Housing, 020 8314 8632; Fenella.Beckman@lewisham.gov.uk
- 18.2. Comments for and on behalf of the Executive Director for Corporate Resources:

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