

	<b>Mayor and Cabinet</b>		
<b>Report Title</b>	Lewisham's Housing Allocations Scheme		
<b>Key Decision</b>	Yes		
<b>Wards</b>	All		
<b>Contributors</b>	Executive Director, Customer Services		
<b>Class</b>	Open	<b>Date</b>	20 June 2012

## 1. Summary and Purpose of this report

- 1.1 This report is to seek approval of the proposed new Housing Allocations scheme.
- 1.2 In Lewisham, there are more people who need or who want to move, than there are homes available for them to move to. In particular, there are not enough rented homes owned by the Council and its partners (Housing Associations and Tenant Management Organisations) to offer housing to all who want it, or even to everyone who needs a home.
- 1.3 Lewisham's Allocations Policy is a means by which we may distribute a small number of homes as fairly as possible.

## 2. Recommendations

The Mayor is recommended to:

- 2.1 Note the implications of the proposed new policy.
- 2.2 Agree that the policy should be implemented with effect from 29<sup>th</sup> October 2012. The delay in implementation is to enable staff to implement an upgrade of the choice based lettings IT system. Should the relevant provisions of the Localism Act 2011 relating to allocations not have received a commencement date by 29<sup>th</sup> October, to agree that the affected policy provisions shall come into effect on the commencement date of the relevant Localism Act provisions.
- 2.3 Agree that the new policy be reviewed after 6 months and that any changes be reported for approval to Mayor and Cabinet.
- 2.4 Note the issues from the equalities analysis assessment carried out for this change and summarised at paragraph 9 this report.

## 3. Policy Context

- 3.1 Lewisham's Sustainable Community Strategy 2008-2020 contains the shared priorities for the borough. It sets out a framework for improving the quality of life and life chances for all who live in the borough. This approach works towards meeting the 'Clean green and liveable' priority to increase the supply and quality of housing to accommodate the diverse needs of the population.
- 3.2 The Council has outlined ten corporate priorities which enables the delivery of the Sustainable Community strategy. The Allocations Policy addresses the corporate

priorities to provide decent homes for all, to invest in social housing and affordable housing in order to increase the overall supply of new housing and to reduce the number of households in temporary accommodation, tackle homelessness and address housing need and aspirations.

### 3.3 The legislative framework and statutory guidance

Housing Allocations policies are governed by legislation. It is a requirement that certain groups are given “reasonable preference” above other groups within the policy. These groups are:

- People who are homeless
- Those living in unsatisfactory housing, e.g. overcrowded or lacking amenities
- Those who need to move on medical grounds
- Those who need to move to a particular locality within the district where it would cause hardship if they were unable to do so
- Those owed a duty under other relevant legislation such as a closing order on a property.

Allocations policies must give preference to these groups above others. There is no requirement to give an equal weighting to all of the reasonable preference categories.

3.4 The government has made a number of changes to the approach to allocations and homelessness in the Localism Act. In January 2012 they also published a new draft Code of Guidance on Allocations for consultation and a draft statutory instrument on former members of the armed forces. Guidance on the homelessness provisions is awaited from government. A draft statutory instrument on the suitability of private rented offers in discharge of the homelessness duty was issued for consultation on 31<sup>st</sup> May 2012 and this is currently open for comments until 26<sup>th</sup> July 2012. We expect that the Department for Communities and Local Government will issue commencement orders on the allocations and homelessness provisions of the Localism Act shortly before or after the 2012 Summer Parliamentary recess. In summary, the core legislative changes affecting allocations involve:-

- The power to change the housing register so as to only register households that have a recognised housing need, (either as a result of that need being amongst the statutory reasonable preference categories or as a local need recognised within the Authority’s own allocations scheme.
- The introduction of a national mobility scheme
- Dealing with social housing transfers with no recognised need outside of the allocations scheme
- Allowing the duty to homeless households to be discharged into the private rented sector rather than by a social housing offer
- Awarding additional preference to former members of the armed forces designed to ensure that personnel recently on active service and with an urgent housing need, receive additional preference for housing and are not prevented from living where they want by restrictive local connection criteria.
- Encouraging authorities to consider awarding preference within their allocations scheme on the grounds of community contribution, which could include employment and volunteering in the community

3.5 The passing of this new legislation, along with the new affordable rents regime and

pan London mobility have made it necessary to consult on changes to the allocations scheme to bring it in line with legislative requirements. An opportunity has also been taken to make changes that would address local priorities and enable better management of the scheme. This includes using the review to consider how we balance need and who the council think we should house. It is also important to review our own policy reasonably regularly to ensure it is based on local needs here in Lewisham. There is also major reform of the welfare system going through and this will have an impact on housing. The Tenancy Strategy is being developed at the same time given the two policies are intrinsically linked.

- 3.6 Lewisham's current Housing Allocations Scheme (which can be found at <http://www.lewisham.gov.uk/SiteCollectionDocuments/HousingAllocationsPolicyNov2011.pdf>) was published in September 2011. The whole allocation policy was substantially changed in 2009 to create some revised priorities and to remove the elements of "multiple need" contained within the scheme which were found no longer to be necessary by the House of Lords in London Borough of Newham v Ahmed (2009). Lewisham's policy reflected the core legal principles and guidance but also contained a number of local priorities which were given preference, including decants, under occupation and preventing homelessness. Since that time some additional, largely minor, changes were made in February 2010 and some changes were made to prioritise regeneration decants in September 2011.
- 3.7 Changes to the approach to housing tenure and social housing rents were also made as part of the Localism Act. These introduced fixed term tenancies called flexible tenancies and new affordable rent levels for social homes at up to 80% of market levels. They also placed a responsibility on the local authority to have a Tenancy Strategy. A draft Tenancy Strategy is also being taken to Mayor & Cabinet in June 2012.
- 3.8 These are all reasons why the authority is currently reviewing its allocations policy and considering the need for any changes to ensure the policy is compliant with the law and gives the council the appropriate powers and flexibilities it needs to effectively manage housing supply and demand.
- 3.9 The Government issued consultation on new statutory Guidance on Allocations in January 2012. It is designed to replace all the existing statutory guidance and statutory instruments which need to be referred to when applying allocations rules. The stated aims of the document are to ensure authorities continue to work towards the national commitment, giving priority to those in the greatest housing need, but also give greater scope to meet local needs and priorities. It allows authorities to set local qualification criteria which determine who, outside of the reasonable preference groups, is able to register. It also promotes ideas such as promoting mobility, supporting the armed forces, the employed and those who contribute to the community in other ways (e.g. volunteers).
- 3.9 The government has indicated that it will not be issuing completely new guidance on homelessness but will instead be issuing an addendum to the current guidance so as to cover the new approach to discharging the homeless duty. A consultation on a draft statutory instrument on the suitability of accommodation for discharging the homeless duty into the private sector, focused on minimum property standards, was issued on 31<sup>st</sup> May 2012. This looks specifically at the suitability of accommodation used to bring the homeless duty to an end in the private sector. In addition, the consultation document contains the governments view on making placements out of the local authorities area, an issue which has gained media attention recently and had been considered by some authorities in light of the

impact of the welfare changes and in particular, the universal credit cap. Lewisham will prepare a response to the statutory consultation on both quality and location. A report on homeless discharge will be prepared and consulted on and brought back to members to consider later in the year.

3.10 Authorities are also required to ensure their allocations scheme meets the requirements of equalities legislation, promotes equality of opportunity and is transparent and fair.

### 3.11 Lewisham's Lettings Plan

Since Lewisham introduced its new allocations scheme the allocations outcomes and numbers waiting on the housing register have been monitored and reported to Mayor & Cabinet, most recently in April 2012. At that meeting, the Borough Annual Lettings Plan for 2012/13 was also approved. This identified five priority areas and set targets for allocations to these groups. They were:-

- Decants
- Under-occupation
- Severe overcrowding
- Move on from supported housing schemes
- Homeless households in temporary accommodation

### 3.12 Housing Supply & Demand

Mayor & Cabinet agreed on 13<sup>th</sup> July 2011 to proceed with the recommendation of a report to progress plans for a comprehensive regeneration programme for Catford Town Centre. It was agreed in April 2012 to begin the decant programme for Milford Towers. The decant needs to be achieved before December 2014. During 2011/12 and 2012/13 the next phase of Heathside & Leathbridge and the first 2 phases of Excalibur are being decanted

3.13 New build supply is predicted to reduce after the current programme completes in 2012/13, given reduced grant levels. In 2012/13 projected supply is shown below;-

#### Projected lets 12/13 broken down by re-lets and new build

	Total Projected New Build 2012/13	Total projected relets 12/13	Total projected lets
0 bed	0	90	90
1 bed	112	432	544
2 bed	225	414	639
3 bed	156	154	310
4 bed	42	41	83
	535	1131	1666

Re-lets supply is predicted to decline this year, although it held up better than predicted in 2011/12. Overall lets were also maintained at a positive level due to the contribution of a buoyant supply of new build social rented homes in the last 2 years. This will not continue at that level beyond 2012/13 based on current development deals in the pipeline.

- 3.14 Changes to welfare benefits made in the last year and forthcoming changes with the introduction of universal credit and under occupation provisions have made it even more important to refocus the limited and diminishing supply of homes on those who need it most.
- 3.15 It is against this background that the need to ensure an effective response to the social housing allocations issue affecting decants have been considered and some changes proposed to ensure that decant processes are managed within timescale and do not therefore put at risk funding and development agreements which require vacant possession and progress on sites by fixed timescales.

## **4 Consultation**

- 4.1 Formal and informal consultation on the proposed changes have taken place over the last 10 months. An equalities analysis has been prepared as a result of this process and is summarised below. A consultation paper was taken to Housing Select committee in February 2012.
- 4.2 We consulted on the following issues:-
- Removing priority from households with no assessed housing need under the scheme (band 4)
  - Offering some limited priority to working households who are struggling to pay their existing rent costs and who are at risk of being unable to stay in employment because of higher rent levels and other essential costs
  - Reinforcing the need to prioritise regeneration decants in light of the demand from a number of schemes in the borough which will deliver substantial benefits to the community, including new homes
  - The appropriate income threshold for qualification to register in light of welfare benefit changes and the introduction of the new affordable rent regime
  - Our statutory responsibility to former armed forces personnel so that the policy reflects the proposed changes which have been outlined in a draft statutory instrument from government.
  - Reducing the number of bids available each week on Homesearch from 5 to 1
  - The London Mayor's pan-London mobility scheme which came into operation after the London Mayoral elections and requires the policy to be amended to make it possible for Lewisham to make the required 5% re-let contribution.
  - Introducing a local connection residence criteria
  - The principle of whether the authority should discharge the homeless duty into the private rented sector rather than through an offer of social housing. We did not consult on the details because a draft statutory instrument has only just been published and no statutory guidance has yet been issued.
- 4.3 In addition to the specific questions we explored in the various consultation events, the policy document was revised in draft, in line with statutory requirements, so we could highlight the specific wording of each proposal and take views on a number of more minor changes that we were considering. These included
- Some changes to ensure the policy complied with the law relating to Allocation policies which changed as a result of the new Localism Act
  - Some changes to eligibility for those affected by immigration controls
  - Some changes reflecting the introduction of flexible tenancies and affordable rents
  - Some necessary links with the Tenancy Strategy

- 4.4 As part of this process the following steps have been undertaken
- an analysis of the current register
  - an analysis of past, current and future housing supply
  - a desktop review of current policy and relevant documents
  - a review of context for allocations, including recent legislation, revised guidance from CLG and changes happening in other boroughs and across London as a result of housing changes and welfare reform.
- 4.5 A consultation exercise with relevant stakeholders and applicants throughout the review. This included:
- Consultation with Lewisham Affordable Housing Group and the formulation of an allocations sub group which included representatives from registered social landlords who are partners in Homesearch.
  - Communication with Supported housing providers through SHIP;
  - Customers, through an on-line survey on the council website and on the websites for Phoenix, Lewisham Homes and Regenter B3
  - All 17,500 applicants to the Housing Register through a direct mail out
  - The general public at Lewisham People's Day;
  - Elected members via a presentation to Housing Select Committee and briefings to MP's.
  - Lewisham Homes tenants Area Panels
  - Presentations at a range of Local Area Assemblies
  - A stakeholders event held on
  - The Homesearch Development Group
  - Internal stakeholders including health and social services
  - A formal consultation exercise was completed from in January 2012 for 8 weeks with stakeholder and applicants. The complete list of agencies who participated in this consultation process and received a copy of the proposed policy can be found in Appendix 2.
- 4.6 Feedback from the consultation that has been carried out demonstrated that:

<b>Disqualifying households from the register with no priority</b>
<p><b>What the consultation broadly said</b></p> <ul style="list-style-type: none"> <li>- <b>survey</b> – 46% in favour of removing it and 42% in favour of keeping it.</li> <li>- <b>registered providers</b> – mix of views, some in favour, comments that we need to have a mechanism for dealing with hard to let voids and for low cost home ownership and some concern about sustainable communities if the register is focused only on those in need. <span style="float: right;">– <b>Lewisham</b></span></li> <li><b>Homes</b> – agreed with the proposal</li> <li>- <b>Housing Select Committee</b> – disagreed, felt that little prospect of rehousing was better than no hope at all.</li> <li>- <b>Area Panels &amp; LAA's</b> – Question about how we would support the rehousing of 18-25 year olds living at home. Point made that 65% of member and MP casework is housing related</li> <li>- <b>Housing &amp; Disability Group</b> – no specific comments</li> <li>- <b>Pensioners Forum</b> – no specific comments</li> </ul>

- **People's Day** – no specific comments

### **Discharge of the Homelessness duty into the private rented sector**

#### **What the consultation broadly said:–**

- **survey** – no specific comments
- **registered providers** – all the main Lewisham providers were in favour at LEWAHG
- **Lewisham Homes** – no comments
- **Housing Select Committee** – only as a last resort
- **Area Panels & LAA's** – no specific comments
- **Housing & Disability Group** – vulnerable tenants may struggle to maintain a PRS tenancy. Disabled applicants may be disadvantaged if there is no individual assessment
- **Pensioners Forum** – no specific comments
- **People's Day** – no specific comments

### **Pan London Mobility**

#### **What the consultation broadly said:–**

- **survey** – 78% supported this proposal
- **registered providers** – supportive
- **Lewisham Homes** – no comments
- **Housing Select Committee** – supportive
- **Area Panels & LAA's** – no specific comments
- **Housing & Disability Group** – no specific comments
- **Pensioners Forum** – in favour
- **People's Day** – in favour

### **Employment**

#### **What the consultation broadly said:–**

- **survey** – 67% supported this proposal
- **registered providers** – supportive, some felt 2 years employment was too long
- **Lewisham Homes** – supportive
- **Housing Select Committee** – supportive of this but not the broader community contribution concept
- **Area Panels & LAA's** – concern it discriminates against young BME residents and the disabled; Puts young people fleeing gang violence at risk; system helping on the able; discriminating against the unemployed; 2 years too much; wait until the recession is over
- **Housing & Disability Group** – could discriminate against the disabled
- **Pensioners Forum** – no specific comments
- **People's Day** – no specific comments

### **Local Connection**

#### **What the consultation broadly said:–**

- **survey** – 68% felt there should be some period of qualification. 2 years received the most support
- **registered providers** – mixed views but not 5 years
- **Lewisham Homes** – 1 year
- **Housing Select Committee** – 5 years
- **Area Panels & LAA's** – no specific comments
- **Housing & Disability Group** – concern about young disabled adults placed out

of borough in a residential placement being disqualified

- **Pensioners Forum** – no specific comments
- **People's Day** – no specific comments

### **Income level**

**What the consultation broadly said:–**

- **survey** – mixed but 44% in favour of current level
- **registered providers** – mixed views but main calls for increase have come from this group  
– **Lewisham Homes** – remain at £30,000
- **Housing Select Committee** – £50,000
- **Area Panels & LAA's** – asked if it was fair to encourage tenancies for middle income families and questioned where this change was coming from
- **Housing & Disability Group** – no specific comments
- **Pensioners Forum** – no specific comments
- **People's Day** – no specific comments

### **Number of bids**

**What the consultation broadly said:–**

- **survey** – 32% in favour, 58% against
- **registered providers** – supportive
- **Lewisham Homes** – supportive
- **Housing Select Committee** – concerned it reduces choice
- **Area Panels & LAA's** – no specific comments
- **Housing & Disability Group** – concern because Homesearch currently gives limited information to enable someone disabled to appropriately bid and this may compound that
- **Pensioners Forum** – no specific comments
- **People's Day** – no specific comments

### **Armed Forces**

**What the consultation broadly said:–**

- **survey** – 62% supportive
- **registered providers** – no specific comments
- **Lewisham Homes** – no specific comments
- **Housing Select Committee** – supportive
- **Area Panels & LAA's** – no specific comments
- **Housing & Disability Group** – no specific comments
- **Pensioners Forum** – no specific comments
- **People's Day** – no specific comments

### **Decants**

**What the consultation broadly said:–**

- **survey** – 66% supportive
- **registered providers** – supportive. Concern about high expectations from decants
- **Lewisham Homes** – supportive
- **Housing Select Committee** – supportive
- **Area Panels & LAA's** – no specific comments
- **Housing & Disability Group** – no specific comments



- Pensioners Forum – no specific comments
- People’s Day – no specific comments

4.7 Consultation clearly has limitations and throughout the consultation a number of contradictory views have been expressed. Attempts were made to reach a range of interested groups, and most importantly applicants in housing need themselves, but clearly only a limited sample of the boroughs overall population responded. The proposals being brought forward for member consideration have been carefully considered in light of consultation comments and the impacts have been assessed. Implementation of the policy will be monitored so that any adverse or unforeseen impacts can be addressed.

## 5. Proposed Changes to the new policy

5.1 The detailed drafting changes required to the allocations scheme are outlined in a background document to this report. A summary of these changes and the reasons for them is outlined in the paragraphs below.

### 5.2 Delete band 4

It is proposed that we change the policy so that we have only 3 bands, all of which contain those with a priority or preference recognised in the allocations scheme.

5.3 The size of the housing register in Lewisham is growing. The two tables below show the scale of demand and where it is concentrated and how this has changed over the last 10 months.

#### May-11

Band	Beds required					TOTAL
	0	1	2	3	4+	
1		361	315	105	24	805
2		245	209	291	413	1158
3	2	796	2112	1557	458	4925
4	19	5354	2623	859	183	9038
Awaiting band		18	21	20	6	65
<b>TOTAL</b>	<b>21</b>	<b>6774</b>	<b>5280</b>	<b>2832</b>	<b>1084</b>	<b>15991</b>

#### Mar-12

Band	Bed Size					Total
	0	1	2	3	4+	
1	9	367	270	78	10	734
2	17	222	169	327	280	1015
3	73	717	2156	1654	377	4977
4	577	5942	3259	1067	201	11046
n/a	0	0	0	0	0	
<b>Total</b>	<b>676</b>	<b>7248</b>	<b>5854</b>	<b>3126</b>	<b>868</b>	<b>17772</b>

The trends show:-

- An overall increase in the register of 1,781
- An increase in band 4 of 2,008

- A decrease in bands 1 and 2
- An increase across all bed sizes but concentrated on single households rather than family households, with 1,129 more bedsit and one bed needs registered
- An decrease of 216 in those needing 4 or more bedrooms, an area of very limited supply

- 5.4 The aim of this proposal is to take a more realistic view on who to include on the Housing Register. Most of the people on our Housing Register currently in band 4 will never have any chance of being offered a social housing home but it could be argued that allowing them to register, encouraging them to bid etc are all ways in which the system gives them the impression they might. The aim would be to have a new policy which makes it clearer realistically who the council can and cannot house.
- 5.5 Many applicants register as an ‘insurance policy’ or on advice of relatives and friends, but do not have a high enough housing need to ever be considered for housing. Although these cases with little prospect of housing and with no assessed housing need are advised of the relative likelihood of ever receiving an offer of social housing they often make assumptions that their registration will lead to an offer. This is despite the evidence that 99% of them are unsuccessful in obtaining social housing. They may bid pointlessly under the choice based lettings system which inevitably involves administration and leads to disappointment. If they understood at the outset that they were not a priority on the register and it is much more likely that finding a home in the private rented sector is the only realistic option for them they may make different choices.
- 5.6 Under a new policy we could help these cases look for accommodation in the private rented sector, or to move elsewhere or to look for accommodation with friends. Of course clear and accessible signposting advice needs to be provided. We would set out clearly what the options were for people who didn’t qualify and provide information available at offices and on-line which would explain the different types of accommodation available, where to look for it (details of local estate agents, accommodation websites), and other things to consider – such as information on local housing allowance and the universal credit which may impact on the choices someone makes about where they live and the type of home they choose. We will focus on ensuring the standards of accommodation let are of high standard and that customers have access to good quality solutions.
- 5.7 As well as raising expectations which are unlikely to be met, there is a further downside to keeping band 4. The administration of applications is time consuming for the citizen and the council with a significant amount of time spent applying or processing and verifying many applicants who have little prospect of receiving an offer of social housing
- 5.8 We would need to develop a mechanism for ensuring that the small number of lets currently going to band 4 were either picked up by those in the higher bands, used by provider partners for other priorities such as transfers or were able to be advertised outside of the scheme to interested customers who would then transact directly with the registered provider. As part of our new approach we will create a “housing advice roll” which will contain details of customers assessed as not having a housing register need but who have expressed an interest in receiving advice updates. This could include, information on available accommodation through accredited landlords working in partnership with our private rented sector unit, and if they chose, would enable registered providers to notify interested customers of properties that may be available because they did not receive bids on the housing

register.

- 5.9 A reduced register will allow us to provide a more individual 'case management' service to those in most need, combined with better advice and practical help to those who have no prospect of being offered help.

#### 5.10 **Homeless households in temporary accommodation**

Homeless households in temporary accommodation get band 3 priority and are allocated a significant number of lets annually. We consulted on the principle of whether the policy would be amended to make clear that we can discharge through a social offer or in the private sector, something we will be able to do as a result of the Localism Act, once the provisions receive a commencement date. However we are not proposing the council implements these proposals at this stage. Given the legislation does not yet have a commencement date from government we will develop more detailed proposals on this point, with a policy on discharge, which will be brought back to the Mayor once statutory guidance has been issued and it is clear that London boroughs and others are implementing the powers.

#### 5.11 **Pan London Mobility**

To make provision in the allocations scheme to withdraw 5% of re-lets from the scheme in order to make them available for Pan London Mobility

- 5.12 The lack of mobility across London creates problems for households who need to move for jobs, to be nearer family to provide or receive support. Opportunities exist to incentivise under occupation moves, employment and family support moves via this route which are crucial at a time when applicants freedom to join any housing register is starting to be restricted. There is no net loss in lets to Lewisham by contributing to the scheme, we get out what we put in. A piece of work will need to be done to identify those Lewisham social tenants who want to move and join the scheme.

#### 5.13 **Employment**

To create a category of priority in band 3 aimed at allowing clients to register who are struggling to pay their existing rent costs and who are at risk of being unable to stay in employment because of higher rent levels and other essential costs, such as child care or travel costs and who may be forced onto benefits. Parameters are set that they will only qualify if they have been employed for 20 months in the previous 2 years and for at least 16 hours a week.

- 5.14 A revised Policy could encourage people who can, to work, which will contribute to raising levels of aspiration and ambition. This can be achieved through offering increased priority to applicants who are working but are on a very low income who may never be able to afford to buy a home and for whom renting in the private sector will mean they are hardly better off financially from continuing to work.
- 5.15 This does have to be balanced with targeting need and ensuring that we do not open the floodgates and grow the register significantly at a time when we are proposing to reduce it because of the mis-match between supply and demand. This is why the proposal is limited to those who we find through a financial assessment are at risk of losing their home or needing to give up their job and why parameters have been set

around a track record of consistent work over the previous two years. It is a limited attempt to support those households where the balance between income and appropriate outgoings (travel, child care costs) puts them on the margins of affordability.

- 5.16 This would also contribute to the mix of social housing and contribute to sustainable social housing communities.

### **5.17 Local connection**

To introduce a time period living in the borough before someone qualifies to register. Currently applicant need only be resident in the borough for 1 day to register. It is proposed a resident applicant must demonstrate they have been resident for 2 years.

- 5.18 The Localism Act makes it easier to set local rules, such a residence, about who qualifies to join the register. This allows boroughs to manage housing demand and prioritise local residents whilst ensuring through the employment and care and support criteria and pan London mobility, that others who need to live in the area are able to do so.

Where boroughs have no or very low residence period requirements this could have an impact on shifts across borough boundaries from those who want social housing, moving to areas where there are fewer barriers. A balance needs to be struck between this and introducing such an onerous requirement that it is challengeable on equalities grounds and it is felt this period achieves that.

### **5.19 Income threshold**

It is proposed to raise the level to £50,000. This proposal was strongly advocated by a number of housing providers and was focused on a getting a balance of working and non-working households for new affordable rents. This can be reconsidered in 2013 when the Lettings Plan for 2012/13 is presented to Mayor and Cabinet because the figure is subject to annual review.

### **5.20 Number of bids**

it is proposed to reduce the number of bids on choice based lettings from 5 bids each week to to one bid and provide landlords with a multiple shortlist of several applicants (3-6 probably, depending on providers).

This proposal is designed to cut down void times and to make the allocations process work more smoothly. Current practice causes void rent loss as if an applicant refuses the provider needs to request further matches and set up further viewings. This also has issues in terms of best use of stock – properties empty and customers waiting longer to occupy.

Customers and others have expressed the view that choice is reduced. How real this choice is is difficult to quantify. Many customers bidding patterns show them bidding speculatively for a range of properties which they refuse or in some cases do not even view.

Other approaches have been considered and include letting people continue to bid for 5 properties but still give providers multiple nominations. This could even further affect void times as applicants hedge their bets and neither refuse or accept an offer until they have seen everything they have come in the top group for. This

impact can be mitigated in two ways:-

- Providers rigidly enforce timescales for customers making decisions on properties forcing customers to make choices about the properties where viewings are earliest. This would be likely to increase complaints
- Develop a rationale for deciding which of the properties a customer is in the top 6 for they are put forward for and ensure it is only one – this is not a scientific process and rationale is likely to be challengeable as there will be winners and losers

Give the problems with available options it is proposed that we go ahead with reducing bids. This approach is one followed in many authorities, including in London, where the realities of needing to apply best management of the system for swiftly and appropriately letting homes is prioritised.

#### 5.21 **Former armed forces personnel**

To award additional priority to former armed forces personnel who have been on active service within the last 5 years and have an urgent housing need. This means if a household has a band 2 (urgent need) and have the required military background, we will award band 1 as additional priority. We are also amending the local connection criteria to ensure the restrictions we place on registering do not affect this group who would have difficulties being able to register.

- 5.22 The government have made it clear they intend to require this change and have issued a draft statutory instrument for consultation. Lewisham's proposal is designed to satisfy the proposed requirements but does not go beyond them. The Statutory code of guidance the CLG have released for consultation talks about the possibility of extending the support to this group further, for example by giving priority to those who have served but do not have an urgent need as a way of rewarding "community contribution" and potentially extending it to groups such as the territorial army. Our proposal does not go this far. The number of servicemen we deal with in Lewisham currently is we believe relatively small, compared to for example neighbours such as Greenwich.

#### 5.23 **Decants**

To reinforce the agreed changes made in September 2011 to create starred decant status and introduce a new definition of large scale decants.

- 5.24 A range of more minor changes to give effect to legal and process changes that are viewed as necessary and appropriate for the effective working of the scheme
- Some changes to the rules on eligibility and property size entitlement for those affected by immigration control rules
    - Makes clear an ineligible household member (because they are subject to immigration control) can be considered as part of an applicant's household in terms of determining the size of home that is needed but cannot be granted a tenancy of that home.
    - An ineligible household member, because they are subject to immigration control (called a "restricted person"), will be disregarded for the purpose of assessing priority.

We are proposing to do this because of changes in the law from the Localism Act and some case law

- Some changes to management discretion to ensure we have the flexibility to make appropriate decisions within the allocations scheme in genuinely exceptional situations. This will strengthen the ability of the reviewing manager to ensure allocations are appropriate both in terms of priority and type of accommodation
- The scope to use the annual lettings plan to set aside a small number of lets each year for uses such as prioritising transfers with no housing need, employment or other contribution. This merely creates the ability to set this local priority annually but is not a requirement
- An explanation of the new social housing framework of affordable rents and flexible tenancies to establish the principles in the emerging Tenancy Strategy – the Tenancy Strategy and Allocations scheme need to be linked and consistent. The drafting changes are to the introductory part of the policy and merely ensure applicants understand the new environment. They introduce the principles stated by the Mayor previously that we would prefer providers to continue to create lifetime tenancies at target rents. But where they are introduced the council would expect tenancies to be a minimum of five years, and lifetime tenancies would continue to be granted to the over 65s and people with serious permanent physical or mental vulnerabilities. Where a fixed term tenancy is given to a family with children we would aim to see the length of tenancy match the 21<sup>st</sup> birthday of the youngest child. It also makes renewal of a flexible tenancy a letting exempt from the allocations scheme.
- Outlines the new equalities duty created by the Equalities Act 2010
- To establish that if an applicant is disqualified from the list but another person in their household qualifies, they may be able to join the housing list.
- To amend the rules on allocation of houses, where we restrict eligibility to households with younger children. This will be amended to exclude four and five bedroom homes from this restriction, because there are few opportunities to meet the needs of applicants with older children, because the majority of homes in the social stock of these size are houses and not flats – this change was proposed by Carol Mew from the Disability Coalition during the consultation and makes sound sense, particularly in relation to limiting the needs of older disabled children who are restricted from moving
- Some minor textual changes to reflect process and contact number changes

## **6 Financial Implications**

- 6.1 There are no direct financial implications associated with the proposed changes to the allocations policy. 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. All of these are affected over time by the demand for housing. Ways of meeting that demand are to be considered as a part of the Council's consideration of future housing options taking place in the coming months. However, the allocations policy per se is

merely the means by which that demand is allocated to existing properties, and so changes to it do not have direct financial implications

## **7 Legal & Human Rights Implications**

- 7.1 Section 159(1) of the Housing Act 1996 requires a local authority to comply with Part 6 of the Act (sections 159 to 174) in allocating housing accommodation. Section 159(7) provides that “subject to the provisions of this Part, a local housing authority may allocate housing accommodation in such manner as they consider appropriate.” Section 169 provides that, when exercising their functions under Part 6 of the 1996 Act, as amended by the 2002 Homelessness Act, local housing authorities “shall have regard to such guidance as may ...be given by the Secretary of State” when carrying out their role in allocating social housing.
- 7.2 In compliance with section 167,(1) (of the 1996 Act,) Lewisham Housing Authority has an Allocations Policy, “... for determining priorities,...” which sets out the procedure to be followed when allocating housing accommodation.
- 7.3 The statutory guidance on social housing allocations 2009 entitled “Fair and Flexible” has encouraged local authorities to make greater use of existing flexibilities to “...prioritise needs specific to their local areas ...”.
- 7.4 The ‘Allocation of accommodation; guidance for local housing authorities in England’ which is currently being consulted upon, expressly reinforces the need for local authorities to adopt a more flexible approach to allocations.
- 7.5 The Localism Act 2011 received royal assent on 15<sup>th</sup> November 2011. The 2011 Act introduces a number of significant amendments to Part 6 of the 1996 Act. Of particular relevance here are the following provisions: Section 160ZA replaces s.160A in relation to allocations by housing authorities. Social housing may only be allocated to ‘qualifying persons’ and housing authorities are given the power to determine what classes of persons are or are not qualified to be allocated housing (s.160ZA(6) and (7)).
- 7.6 Section 166A requires housing authorities in England to allocate accommodation in accordance with a scheme which must be framed to ensure that certain categories of applicants are given reasonable preference for an allocation of social housing. Section 166A(9) includes a new requirement for an allocation scheme to give a right to review a decision on qualification in s.160AZ(9), and to inform such affected persons of the decision on the review and the grounds for it. This is in addition to the existing right to review a decision on eligibility.
- 7.7 Section 166A(12) provides that housing authorities must have regard to both their homelessness and tenancy strategies when framing their allocation scheme. The requirement for an allocation scheme to contain a statement of the authority’s policy on offering a choice of accommodation or the opportunity to express preferences about their accommodation is retained. (s.166A(2)). However, the requirement to provide a copy of this statement to people to whom they owe a homelessness duty (under s.193(3A) or s.195(3A) of the 1996 Act) is repealed by s.148(2) and s.149(3) of the 2011Act. This is because, following the changes to the main homelessness duty made by the Localism Act 2011, there can no longer be a presumption that the homelessness duty will be brought to an end in most cases with an allocation under Part 6.
- 7.8 The European Convention on Human Rights states in Article 8 that “Everyone has

the right to respect for his private and family life, his home and correspondence". The Human Rights Act 1998 incorporates the Convention. Whilst it does not, however, necessarily mean that everyone has an immediate *right* to a home, (because Article 8 is a "qualified" right and therefore is capable in certain circumstances, of being lawfully and legitimately interfered with,) the provision by an Authority of a relevant and considered Allocations Policy does assist to reinforce the Article 8 principles.

7.9 As noted within paragraph 3.10 above, the principles of the 2010 Equality Act are relevant. The 2010 Act, brings together all previous equality legislation in England, Scotland and Wales. The Act includes a new public sector equality duty (the equality duty or the duty), replacing the separate duties relating to race, disability and gender equality. The duty came into force on 6 April 2011. The new duty covers the following nine protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

7.10 In summary, the Council must, in the exercise of its functions, have due regard to the need to:

- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
- advance equality of opportunity between people who share a protected characteristic and those who do not.
- foster good relations between people who share a protected characteristic and those who do not.

7.11 As was the case for the original separate duties, the new duty continues to be a "have regard duty", and the weight to be attached to it is a matter for the Mayor, bearing in mind the issues of relevance and proportionality. It is not an absolute requirement to eliminate unlawful discrimination, advance equality of opportunity or foster good relations.

7.12 The Equality and Human Rights Commission issued guides during January 2011 providing an overview of the new equality duty, including the general equality duty, the specific duties and who they apply to. The guides cover what public authorities should do to meet the duty. This includes steps that are legally required, as well as recommended actions. The guides were based on the then draft specific duties so are no longer fully up-to-date, although regard may still be had to them until the revised guides are produced. The guides do not have legal standing unlike the statutory Code of Practice on the public sector equality duty, However, that Code is not due to be published until April 2012. The guides can be found at: <http://www.equalityhumanrights.com/advice-and-guidance/public-sector-duties/new-public-sector-equality-duty-guidance/>

## **8 Crime and Disorder Implications**

8.1 The allocations scheme recognises the importance of housing in responding to the needs of victims of crime who can be awarded emergency priority where their life is in danger and their case is supported by the police. These include applicants under the witness protection programme. Furthermore, the policy contributes to reducing offending and awards priority for offenders (dependent upon the nature of their offence), imprisoned for over 13 weeks who relinquish their existing social tenancy. Increasing priority to other groups may impact on allocations to emergency and



other cases. This risk will need to be mitigated by careful management of lettings plan targets and the allocations process.

## **9 Equalities Implications**

9.1 A full equalities analysis assessment has been carried out on the proposed new policy and can be found amongst the background documents to this report. An action plan to address some of the impacts on protected characteristics has also been devised.

9.2 The analysis showed a number of things:-

- Whilst there were some possible negative impacts from the removal of band 4, analysis of this band showed that
  - 57% of those registered in the band have never bid
  - Only 1% of those in the band were successful in bidding for homes in 11/12, all of these in the bedsit/1 bed category. A significant proportion of these were age restricted homes (over 55) or homes that those in higher bands did not bid for because they were less popular in terms of location or type of home
  - Proportions of BME households in band 4 were higher than in the population as a whole but they were also high on the housing register as a whole
  - The number of single people, particularly men, in band 4 was higher than on the register as a whole
- The pan London Mobility changes were assessed as having an overall positive impact
- The employment changes have positive impacts on each characteristic but may have negative impacts too. This arises where groups cannot meet the criteria set in the priority category, or where allocations go to this rather than other groups on the register. The importance of monitoring impact, achieving good assessments and linking advice customers into employment opportunities are all identified ways of addressing this impact
- The income analysis shows that the average income in the borough is £29,476pa. However the average income of those rehoused in social housing in 2010/11 was £11,649. Average house prices in the borough have increased to £255,351. The median income to house price ratio is now 11:1. Affordability in terms of purchasing your own home has become significantly more difficult
- The proposals on local connection affect new entrants to the borough and could affect all protected characteristics for this group.
- The armed forces and decant proposals have generally positive impacts across protected groups

9.3 Recommendations in the action plan from the analysis include:-

- Reviewing and updating the range and quality of signposting and advice information, available in a range of formats, including Braille and translation, in hard copy and on-line. This is to ensure that where households are disqualified from registering they still have access to good quality advice about how to find an alternative home, including options such as shared ownership. The plan contained some specific examples of activities to support this change
- Appropriate monitoring of the effectiveness of advice and information needs to be carried out

- Address data gaps by amending the application process and systems to ensure all the protected characteristic data is fully captured. This action has already been addressed with amendments to the application. ICT changes have also been specified to support this
- Work, through the Private rented Sector Unit being developed in Strategic Housing and Regulatory Services, to increase the overall supply and range of accommodation available for all groups in the private rented sector
- Review and regular updating of homesearch guidance
- Regular review of bidding patterns
- Seeking periodic feedback from providers on voids and whether changes to bidding have supported improvement in this area
- Development of an online initial assessment tool
- Consider participating in a residents survey, to include information on the housing needs of disabled people
- Raise awareness of pan London Mobility
- Capture data and monitor impacts of the policy on former armed forces personnel in urgent housing need
- Ensure systems maximise the possibilities for informed bidding choices on homesearch, including improving the quality of advertisement data from providers
- Consider targeted advice information for specific groups
- Development of a private sector housing advice website
- Review of medical assessment processes

9.4 The policy document has been amended to reflect the council's duties under the Equalities Act 2010.

## **10 Environmental Implications**

10.1 There are no environmental implications.

## **11 Conclusion**

11.1 It is proposed that the amendments to the allocations scheme are agreed.

## **12 Background documents and originator**

12.1 There are 3 background documents to this report. The equalities analysis assessment, the consultation report and a report of the detailed, line by line drafting changes to the document.

12.2 If you require more information on this report please contact Genevieve Macklin, Head of Strategic Housing on 0208 314 6057.

## Appendix 1 - Consulted groups:-

Abbeyfield  
All residents – Lewisham People’s Day; on-line survey  
All housing register applicants – direct mail  
Affinity Sutton  
Amicus Horizon  
ARHAG  
ASRA  
Barnado’s  
Bench  
Brockley Tenants Co-Op  
CAB  
Car-Gomm  
Centrepoint  
Circle Anglia Housing Association  
CCHT  
CHISEL  
CRI  
Crisis  
DePaul  
Deptford reach  
Dinardo’s  
Downham LAA  
East Thames Housing Association  
Eaves Housing  
Ekaya Housing Association  
Evelyn 190  
Evelyn LAA  
Excelcare  
Family MosaicGuinness Housing Trust  
Foundation 66  
Gallions Housing Association  
Greenwich and Lewisham Nightstop  
Heidi Alexander MP  
Hestia  
Hexagon Housing Association  
Homelessness Forum  
Homes and Communities Agency  
Homeless Link  
Housing 21  
Housing Four Women  
Housing Select Committee  
Housing & Disability Group  
Hyde Housing Association  
In Touch  
Kings Church  
Job Centre Plus  
Lewisham Adult Social Care  
Lewisham Affordable Housing Group & Allocations Sub Group  
Lewisham Children & Young People service  
Lewisham Homes  
Lewisham Homes Combined Area Panel  
Lewisham Housing Benefit service  
Lewisham Police

Lewisham Pensioners Forum  
Lewisham Supporting People Team  
Lewisham Youth Offending service  
London & Quadrant Housing Trust  
Marsha Phoenix  
Metropolitan Housing Association  
Moat Housing Association  
New Cross LAA  
New World Housing Association  
Notting Hill Housing Trust  
One Housing  
Orbit Housing Association  
PCT  
Penrose Fusion  
Phoenix Community Housing  
Phoenix website  
Pinnacle  
Places for People  
Raglan  
Regenter B3  
Regenter Residents Board meeting  
Riverside Housing Association  
Rushey Green LAA  
Sanctuary  
Servite Homes  
Shelter  
SHP  
SLAM  
South east London Housing Partnership  
Southern Housing Group  
Southwark Anglican HA  
Saint Christopher's Fellowship  
St Giles  
St Mungo's  
Tamil Housing Association  
Telegraph Hill LAA  
Thamesreach  
Victim Support  
Viridian Housing Association  
Wandle Housing Association  
Youthaid  
999 Club