

<b>Mayor &amp; Cabinet</b>			
<b>Title</b>	Allocations Policy Review		
<b>Key decision</b>	No	<b>Item no</b>	
<b>Wards</b>	All		
<b>Contributors</b>	Executive Director Customer Services		
<b>Class</b>	Part 1	23 March 2016	

## **1 Summary**

- 1.1 The impact of national policy changes alongside demographic changes means that the number of homes for social rent – either new build or re-lets – has reduced over recent years.
- 1.2 There is increased demand for housing in a context of reducing supply. The council has taken a number of steps to address this challenge. The main initiative has been building new Council homes for the first time in a generation, so that the Council is directly providing new homes for social rent itself. The Council also continues to work in partnership with Housing Associations and other developers to build new homes in the borough.
- 1.3 In this context, Lewisham’s Allocation Policy sets out how we will allocate households as fairly and efficiently as possible to the properties that become available to the Council. It sets out the principles of how we will do this and how we will make sure we comply with legislation and court rulings in this area.
- 1.4 Demand for social housing remains far higher than the supply available to the Council. The Allocations Policy was last reviewed in detail in 2012. Since that review, the number of households on the waiting list has grown from approximately 7,500 to over 9,250. Lewisham has also seen an increase in homelessness, with the number of households living in temporary accommodation increasing from less than 1,000 in 2010/11 to over 1,700 in 2014/15. Therefore officers propose that a number of changes are made to the Policy to ensure that we continue to be able to manage demand and bring the Policy up to date in light of other changes to how the service operates. This report provides background to the proposed changes.

## **2 Recommendations**

The Mayor is recommended to:

- 2.1 Note the rationale for undertaking a review of the Allocations Policy.

- 2.2 Note the proposed changes set out in section 6 of this report.
- 2.3 Agree that officers should proceed to consult with residents and partners about the proposed changes set out in section 6 of this report.
- 2.4 Note that a full equality assessment analysis will be undertaken.
- 2.5 Note that a report will be brought back to Mayor and Cabinet later this year seeking approval for changes to the Allocation Policy in light of the outcome of the consultation and equality assessment analysis.

### **3 Policy context**

- 3.1 The contents of this report are consistent with the Council's policy framework. It supports the achievements of the Sustainable Community Strategy policy objectives:
  - Ambitious and achieving: where people are inspired and supported to fulfil their potential.
  - Empowered and responsible: where people can be actively involved in their local area and contribute to tolerant, caring and supportive local communities.
  - Healthy, active and enjoyable: where people can actively participate in maintaining and improving their health and well-being, supported by high quality health and care services, leisure, culture and recreational activities.
- 3.2 The proposed recommendations are also in line with the Council policy priorities:
  - Strengthening the local economy – gaining resources to regenerate key localities, strengthen employment skills and promote public transport.
  - Clean, green and liveable – improving environmental management, the cleanliness and care for roads and pavements and promoting a sustainable environment

### **4 Background**

- 4.1 Housing Allocations schemes are governed by legislation which requires housing authorities to determine and publish a lettings scheme setting out how it will prioritise applications for social housing. It is a requirement that certain groups are given “reasonable preference” within the policy. These groups include:
  - People who are homeless
  - Those living in unsatisfactory housing, e.g. overcrowded or lacking amenities
  - Those who need to move on medical grounds
  - Those owed a duty under other relevant legislation such as a closing order on a property.

- 4.2 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.
- 4.3 A key element of the allocations scheme is the Annual Lettings Plan which should be agreed by Members each year. This outlines the distribution between applicants with differing needs of the supply of lettings expected over the coming year. The proposed Annual Lettings Plan for 2016/2017 will be presented to Housing Select Committee at their meeting on 9 March 2016.
- 4.4 Lewisham extensively reviewed its Housing Allocation Scheme in 2012 in response to changes in legislation introduced by the Localism Act, as well as the changing trends in the supply and demand of social housing. These changes were approved by Mayor and Cabinet on 20th June 2012. The changes made as part of this review included the deletion of a fourth band of priority to reflect that the reduction in the number of lets meant that people in this band were extremely unlikely to receive an offer of social housing. In 2012 the local connection rule was also introduced which meant that an applicant had to have been a Lewisham resident for two years in order to qualify to register.
- 4.5 It is now proposed to review the policy further in order to ensure that we are able to continue to best allocate our supply of social housing and manage demand fairly within the challenging housing context where demand has increased by 87 per cent over the last five years whilst supply has decreased by 44 per cent.
- 4.6 The areas of focus in this review are as follows:
- The length of time required to qualify for a local connection
  - The increase in homeless applications
  - The ability to make Private Rented Sector Offers to discharge the council's housing duty to homeless households
  - Overcrowding and under occupation.
- 4.7 As the Service evolves it is essential that we review the policy to ensure that it manages the expectations as well as meeting the needs of service users, that it reflects the demands on the service and fosters good working relations with our partners.

## **5 Housing supply and demand**

- 5.1 M&C have received a number of reports over the past years about the increased housing demand in the borough alongside the reduction in the supply of new homes for social housing and re-lets.

- 5.2 As of January 2016, there were over 9,250 households on Lewisham’s housing register, an increase of over 1,500 since 2012. In the same period, the number of lets has reduced from over 1,500 per year to just over 1,000 per year. The tables below set this out in more detail:

2012/13	Total Lets	1562
	Number on Housing Register	7593
2013/14	Total Lets	1235
	Number on Housing Register	8263
2014/15	Total Lets	1092
	Number on Housing Register	8591
2015/16	Total Lets to date	787
	Number on Housing Register	9253

- 5.3 Lewisham has also seen an increase in homelessness, with the number of households living in temporary accommodation increasing from less than 1,000 in 2010/11 to over 1,700 in 2014/15. This increased number of households in high housing need has also increased the demands on the service.
- 5.4 Government policy over the past five years has meant that fewer homes for social rent have been built. The current government is making changes so that it is likely that more of the new affordable homes built over the coming years are for ownership rather than for rent. Therefore the supply of new social homes beyond the Council’s own programme and those provided by some Housing Associations is likely to remain low, which means that the ability to meet demand will remain challenging.

## 6 Proposed Changes

- 6.1 This section summarises the proposed changes to the Policy.  
Local Connection

- 6.2 In order to qualify for social housing in the borough, an applicant must demonstrate that they have a local connection. Currently, this means that they must be resident in Lewisham and have been resident for a period of two years.
- 6.3 It is proposed to increase the Local Connection criteria to five years to help manage demand for the service as well as the expectations of service users. This is also in line with partners in the South East London Housing Partnership (Southwark, Bexley, Greenwich and Bromley), creating geographic consistency.
- 6.4 This proposal will affect all new 'Part 6' applicants to the Council's general housing register. It would not affect 'Part 7' homeless applications.

#### Right to Move

- 6.5 New statutory guidance was introduced in March 2015 to introduce the 'Right to Move'. The intention behind this was to make it easier for social tenants to move if they need to for work reasons. The implications of the regulation is that local authorities are prevented from applying a local connection test that could disadvantage tenants who need to move across local authority boundaries for work related reasons
- 6.6 It is therefore proposed to introduce a quota ensuring that at least one per cent of all lettings are to households eligible under the 2015 'Right to Move' guidance, to publish the quota as part of the Allocation scheme and to report locally on demand and outcomes through the Annual Lettings Plan. This will build upon the provisions of section 2.2.2 of the Allocations policy which awards a local connection to those who require housing in the borough to be able to work in the borough.

#### Private Rented Sector offers

- 6.7 In March 2015, Mayor and Cabinet decided that the Council would be able to discharge its duty under Part Seven of the Housing Act by making an offer of Private Rented Sector (PRS) accommodation.
- 6.8 Whilst the Allocations Policy is related to Part Six of the Housing Act, it is proposed to include statements on the use of the PRS for the 'discharging of duty' under Part 7 of the Act and on the use of Temporary Accommodation outside the borough for the same purpose, to emphasise that this is an option for homeless households. This will also make reference to the Location Priority Policy.
- 6.9 It is a possibility that the temporary accommodation provided outside the borough could become permanent it is assessed as suitable.
- 6.10 It is also proposed to include a statement outlining that a PRS offer is an option for Homeless Prevention Priority (HPP) customers.

### One offer policy for Housing Panel cases

- 6.11 In certain cases, the Council operates a policy of only making one offer of social housing to an applicant. These are high priority households where it is important that the household is found stable housing quickly.
- 6.12 It is proposed to change the wording of section 2.2.3 in relation to the 12 week period in which Housing Panel and Supported Housing Priority cases may bid for themselves. The change will reflect that this does not guarantee that an offer will be made or a bid will be successful in that time, and that the actual waiting time for a property may be longer dependent on availability and demand for properties. This will provide more clarity and help to manage the expectations of residents.

### Allowing households in temporary accommodation to settle there permanently more quickly

- 6.13 Section 3.4.5 of the Policy allows the Council to offer a household in temporary accommodation the home they are occupying on a more permanent basis if the accommodation is suitable and it is possible to do so. Currently this only applies if the household has occupied the accommodation for at least 12 months.
- 6.14 It is proposed to amend section 3.4.5 of the policy to allow households placed in suitable Temporary Accommodation to be signed up as permanent within a shorter timescale.

### Direct matching of applicants to properties

- 6.15 It is proposed to introduce 'Direct Matching' which will allow officers to directly place any nominated Part 7 homeless household into an available property whether it is advertised or not.

### Chain lettings

- 6.16 Our current policy encourages 'chain lets' whereby in certain areas a large unit of accommodation household becomes available, and is let to an overcrowded household to improve their situation and the unit that has been vacated is in turn let to another household as requested to enable a further move.
- 6.17 It is proposed to amend section 3.4.6 relating to Chain Lettings to allow properties that become available through this means to be advertised for a specific purpose. This will encourage the best use of the stock, ensuring that the Allocations policy is responsive to the needs of customers and the demands of the service.

### Rent arrears

6.18 Our policy is clear that a household with significant rent arrears at the time of being matched to a property must clear these before they move into a new home. However the way in which our policy is currently worded means that applicants with arrears over four weeks will be suspended. This causes administrative issues and can delay the letting of properties.

6.19 It is proposed to simplify this clause by amending section 2.2.4 regarding suspension for significant rent arrears. Where an offer is made in future it will be necessary for the applicant to have a rent account balance of zero as well as no outstanding former tenant arrears. The Housing Needs Group Service Manager will still retain the delegated authority to permit a move despite arrears where necessary.

6.20 This proposal will affect both Part 6 and Part 7 housing applications.

#### Limited offers rule

6.21 Occasionally, some applicants will view a number of properties but not accept the tenancy of any of them. This causes additional cost for the Council and delays a household being able to move into a new home. This does not include households where the one offer policy is applied, as set out in 6.9.

6.22 Therefore it is proposed to introduce a 'Limited Offer' rule, suspending applications from the register for 12 months where they have rejected three offers and to clarify the policy to note that not attending an accompanied viewing to sign a tenancy that has been offered will be considered a rejection.

6.23 This proposal will affect Part 6 housing applications who are not subject to the 'one offer only' policy..

#### Bedroom standard

6.24 The current Policy sets out how many bedrooms a household is entitled to:

"In calculating how many bedrooms you need, we will allow you:

- one bedroom or a studio for you and your partner, if you have one
- one bedroom for every two children of the same sex, aged under eighteen
- one bedroom for a child of the opposite sex to another child, if the child is aged over ten
- one bedroom for any other adult"

6.25 It is proposed to adopt the Department for Communities and Local Government's guidance bedroom standard when determining the number of bedrooms required by an Applicant. This has been designed to take into account Housing Benefit regulations regarding bed sizes.. The Bedroom Standard allocates a separate bedroom to each:

- married or cohabiting couple
- adult aged 21 years or more
- pair of adolescents aged 10-20 of the same sex

- pair of children aged under 10 regardless of sex

6.26 The policy will also be amended to note that under existing rules, applicants may be entitled for a home of one size but not be eligible for Housing Benefit at the same level.

#### Medical assessments

6.27 To clarify that the Council's medical advisor may recommend an extra bedroom on medical grounds.

6.28 This proposal will affect all existing and new Part 6 and Part 7 applications.

### **7 Timetable and next steps**

7.1 Consultation will be undertaken with those likely to be affected by any changes and key stakeholders to seek their views on the proposed changes.

7.2 An equality analysis assessment of the proposed changes will be undertaken and reported to Mayor and Cabinet.

### **8 Financial Implications**

8.1 As has been previously reported, the current housing issues experienced both nationally and in the borough are putting severe pressure on the council's housing budgets.

8.2 The changes to the allocations policy set out in the report are expected to assist in managing those pressures and assist in officers making the best use of the resources available to them.

### **9 Legal Implications**

9.1 In compliance with section 166A,(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.

9.2 The statutory guidance on social housing allocations is entitled "Allocation of accommodation: Guidance for Local Authorities in England and was revised in June 2012. Authorities are obliged to have regard to this guidance when devising and implementing their schemes.

- 9.3 The Government launched a consultation exercise on proposals to issue new statutory guidance “to help local authorities make full use of their new allocation freedoms by tailoring their allocation priorities to meet the needs of their local residents and their local communities.” One of the proposals involved amending existing guidance to “strongly encourage all local authorities to adopt a two year residency test as part of their qualification criteria.” Consultation closed on 22 November 2013 and new supplementary statutory guidance was published in December 2013: *Providing social housing for local people*
- 9.4 On 9 March 2015 the Government announced an intention to ‘ensure local connection requirements do not prevent social tenants from moving into the area to take up work or apprenticeship opportunities.’
- 9.5 The Localism Act 2011 received royal assent on 15th 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)).
- 9.6 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.
- 9.7 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.

- 9.8 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.
- 9.9 The Equality Act 2010 (the Act) introduced a new public sector equality duty (the equality duty or the duty). It 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.
- 9.10 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.
- 9.11 The 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.
- 9.12 The Equality and Human Rights Commission has recently issued Technical Guidance on the Public Sector Equality Duty and statutory guidance entitled “Equality Act 2010 Services, Public Functions & Associations Statutory Code of Practice”. The Council must have regard to the statutory code in so far as it relates to the duty and attention is drawn to Chapter 11 which deals particularly with the equality duty. The Technical Guidance also covers what public authorities should do to meet the duty. This includes steps that are legally required, as well as recommended actions. The guidance does not have statutory force but nonetheless regard should be had to it, as failure to do so without compelling reason would be of evidential value. The statutory code and the technical guidance can be found at: <http://www.equalityhumanrights.com/legal-and-policy/equality-act/equality-act-codes-of-practice-and-technical-guidance/>
- 9.13 The Equality and Human Rights Commission (EHRC) has previously issued five guides for public authorities in England giving advice on the equality duty:
1. The essential guide to the public sector equality duty
  2. Meeting the equality duty in policy and decision-making
  3. Engagement and the equality duty

4. Equality objectives and the equality duty
5. Equality information and the equality duty

9.14 The essential guide provides an overview of the equality duty requirements including the general equality duty, the specific duties and who they apply to. It covers what public authorities should do to meet the duty including steps that are legally required, as well as recommended actions. The other four documents provide more detailed guidance on key areas and advice on good practice. Further information and resources are available at: <http://www.equalityhumanrights.com/advice-and-guidance/public-sector-equality-duty/guidance-on-the-equality-duty/>

## **10 Crime and disorder implications**

10.1 There are no crime and disorder implications arising from this report.

## **11 Equalities implications**

11.1 An equality analysis assessment of the proposed changes will be undertaken

## **12 Environmental implications**

12.1 There are no environmental implications arising from this report.

## **13 Background Documents and Report Originator**

13.1 The current Allocations Policy is available here:

13.2 <https://www.lewisham.gov.uk/myserVICES/housing/find/Documents/Lewisham%20Housing%20Allocations%20Scheme.pdf>

13.3 The government has published Allocations Guidance which is available here:

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/5918/2171391.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/5918/2171391.pdf)

13.4 If you have any queries relating to this report please contact Genevieve Macklin on 020 8314 6057.