

Housing and Community Safety Scrutiny Commission

Thursday 13 July 2023

7.00 pm

Ground Floor Meeting Room G02A - 160 Tooley Street, London SE1
2QH

Supplementary Agenda No.1

List of Contents

Item No.	Title	Page No.
5.	Housing Allocations and Lettings policy for council homes and housing associations. To receive a report/briefing from Deputy Cabinet Member Councillor Leo Pollak on the council's housing allocations and letting policy for council homes and housing associations.	1 - 17

Contact

Amit Alva on email: amit.alva@southwark.gov.uk

Date: 10 July 2023

Item No. 5	Classification: Open	Date: 13 th July 2023	Meeting Name: Housing and Community Safety Scrutiny Commission
Report title:		Housing allocations update	
Ward(s) or groups affected:		All	
From:		Karen Shaw Head of Housing Solutions	
Cabinet Member:		Councillor Darren Merrill, Cabinet Member for Council Homes and Homelessness; Cllr Leo Pollak, Deputy Cabinet Member for Housing Allocations	

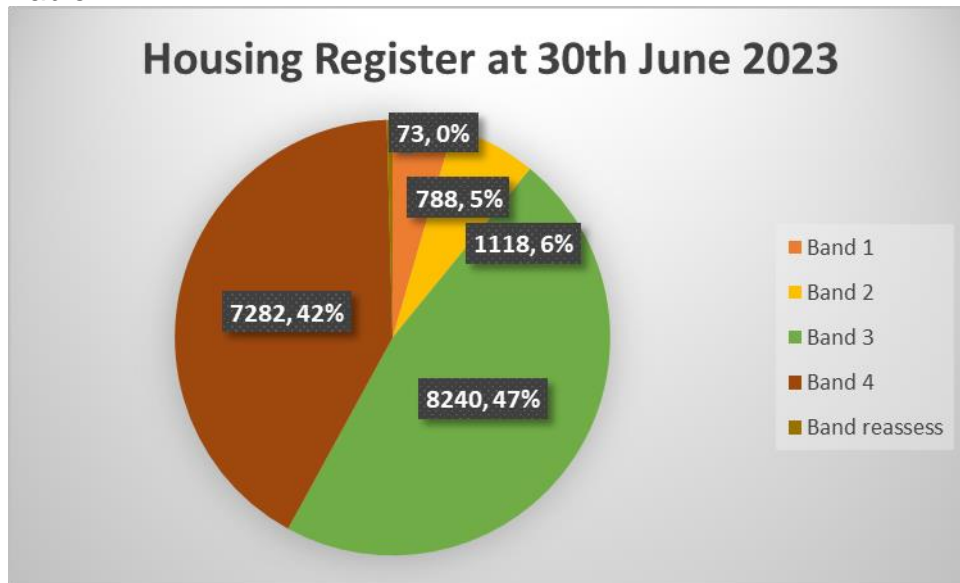
RECOMMENDATION(S)

1. Note the content of this update on housing allocations issues including the data about current need and housing supply.
2. Note the current actions to progress the delivery of a new housing allocations scheme.

BACKGROUND INFORMATION

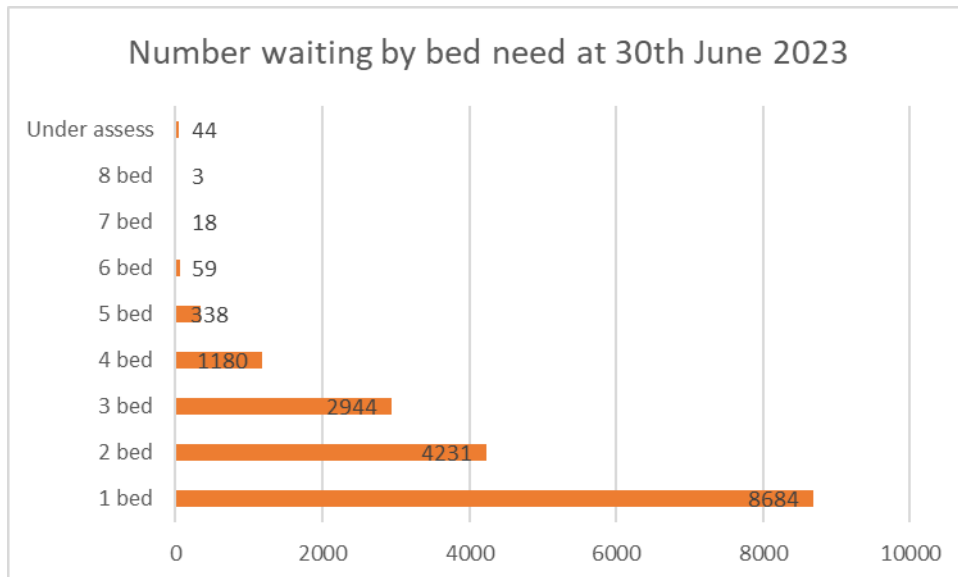
3. The Council consulted on a new draft housing allocations policy in 2021. A number of factors have changed since the Covid-19 pandemic and that consultation which require reflection and consideration of the draft. Specifically the following pressures which are explored in more detail below:
 - Increased homelessness pressures
 - Private sector supply availability and affordability
 - Cost of living
 - Increasing housing instability and need
4. The levels of housing demand in Southwark are increasing significantly, month on month, with between 600-800 residents applying to join the housing. Below is a range of data which illustrates current levels of need on the register and the scale of the challenge in meeting that need.
5. Table 1 shows the numbers registered as at 30th June 2023 by priority band from urgent (band1) to no assessed need (band 4). It shows 17,501 households waiting.

Table 1:



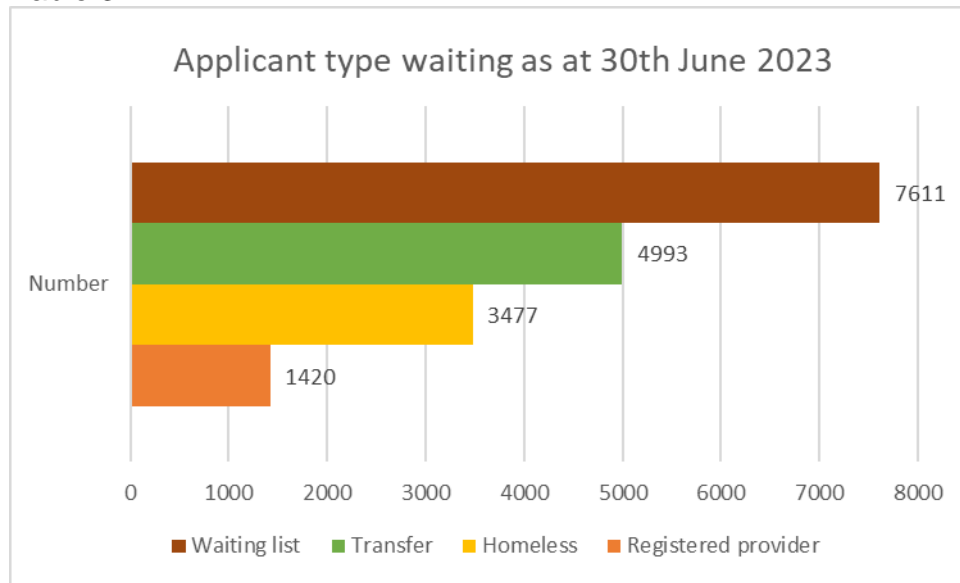
- The other headline breakdown of the register is the range of bed size need that it represents. Table 2 illustrates that 49% of those on the register need accommodation for a single person/couple.

Table 2:



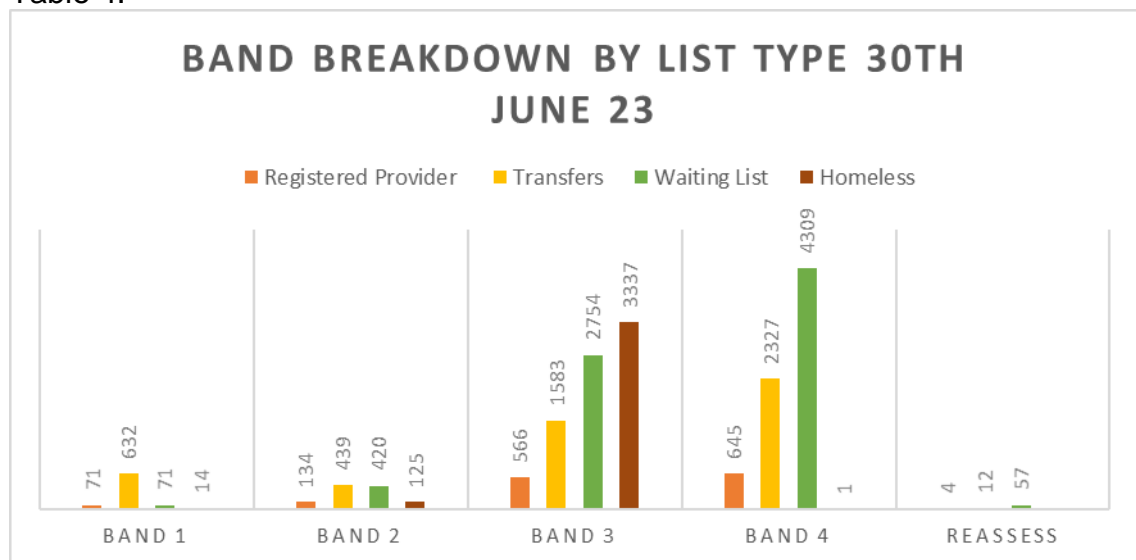
- Those waiting on the register include registered provider (RP) and council tenants seeking a transfer, statutory homeless households and those on the general waiting list who may be living in the private sector or with friends and family. Table 3 shows the breakdown of those elements across the housing register which highlights the largest source of applications is from waiting list clients, followed by council tenants seeking a transfer.

Table 3:



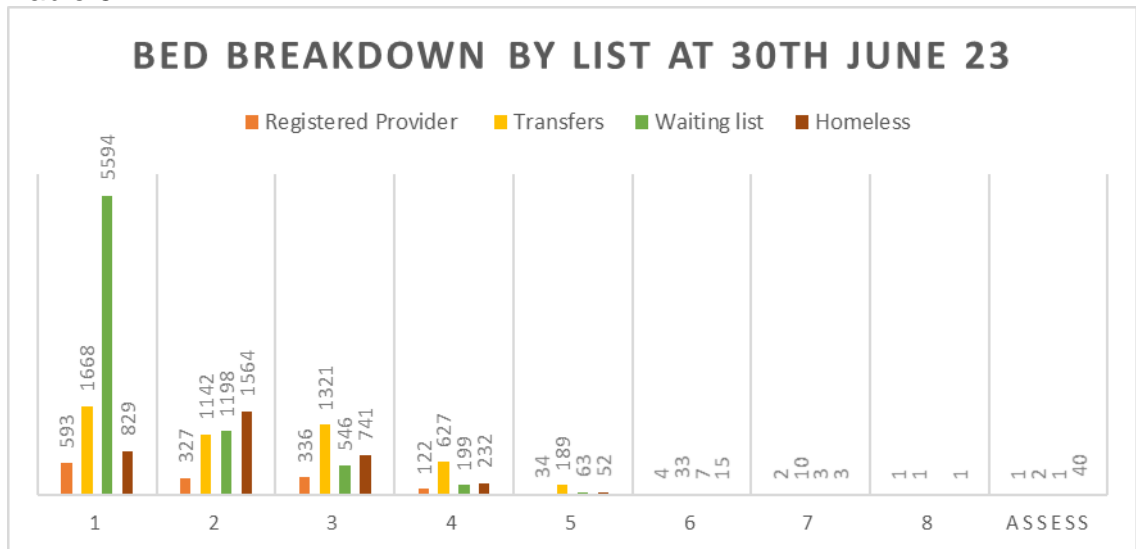
8. Under current policy rules the largest number of customers in band 1, urgent need, are council tenants seeking to transfer. This is particularly because of the need to move households from some of our regeneration estates, from under occupiers, and because of requests to management transfer. Table 4 shows the breakdown of these lists across bands.

Table 4:



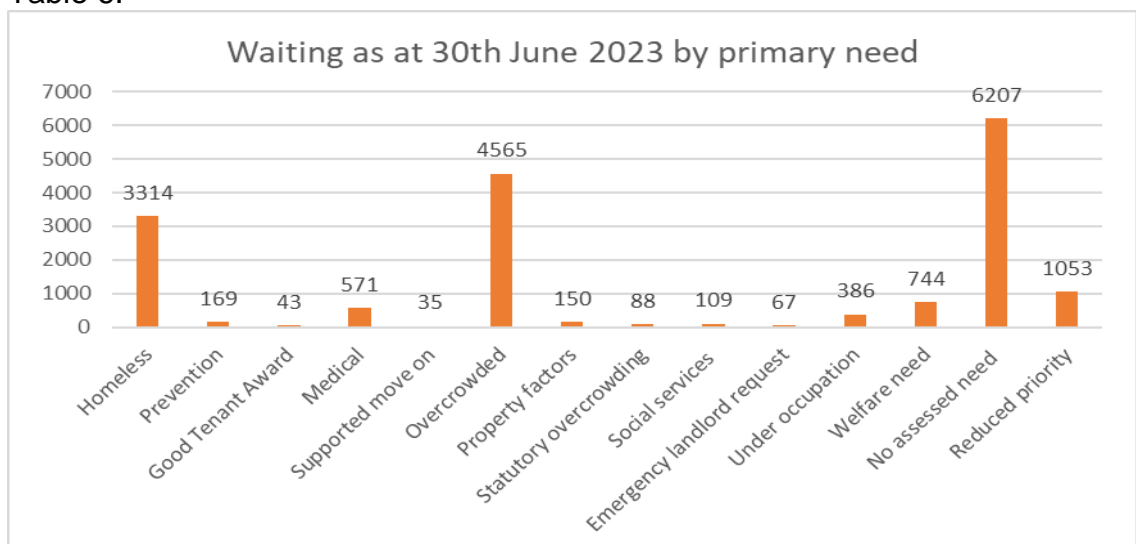
9. Table 5 shows these groups broken down by bed size need and demonstrates the high level of need for 1 bed accommodation from the waiting list group, a large portion of these, as demonstrated in table 4 above are in band 4 without an assessed housing need.

Table 5:



10. Perhaps the most important insight into those waiting is an analysis of the different need categories which are registered and are important in securing households banding priority. Table 6 shows the range of needs on the register. A number of these cover the reasonable preference categories which the law on allocations under Part VI of the Housing Act 1996, as amended, says the authority must give priority to in our allocations scheme. These include homeless people (including those owed a homeless duty), those living in insanitary or overcrowding housing, those with a medical or welfare need to move and to avoid hardship. The other needs on the register are local Southwark priorities in the current allocations scheme. Some of these represent important priorities such as supporting under occupying council tenants to right size.

Table 6:

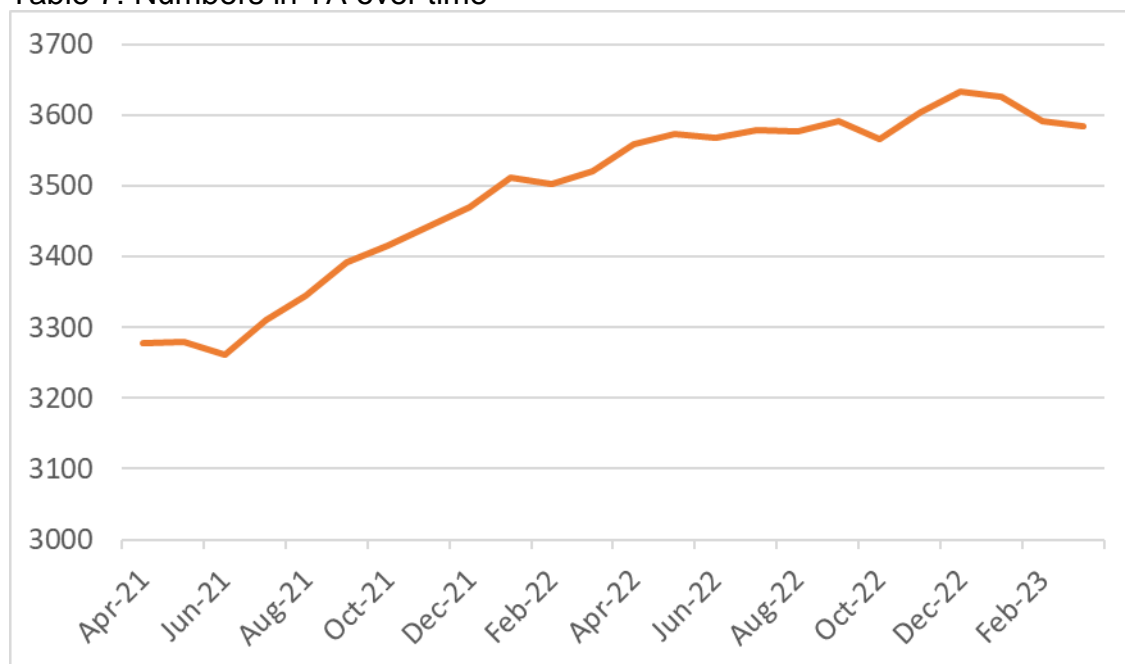


11. Data on the spread of these needs across bands shows 386 under occupiers in band 1 and 150 waiting as a result of property factors.

This includes both regeneration moves and those who need a management transfer as a result of property condition.

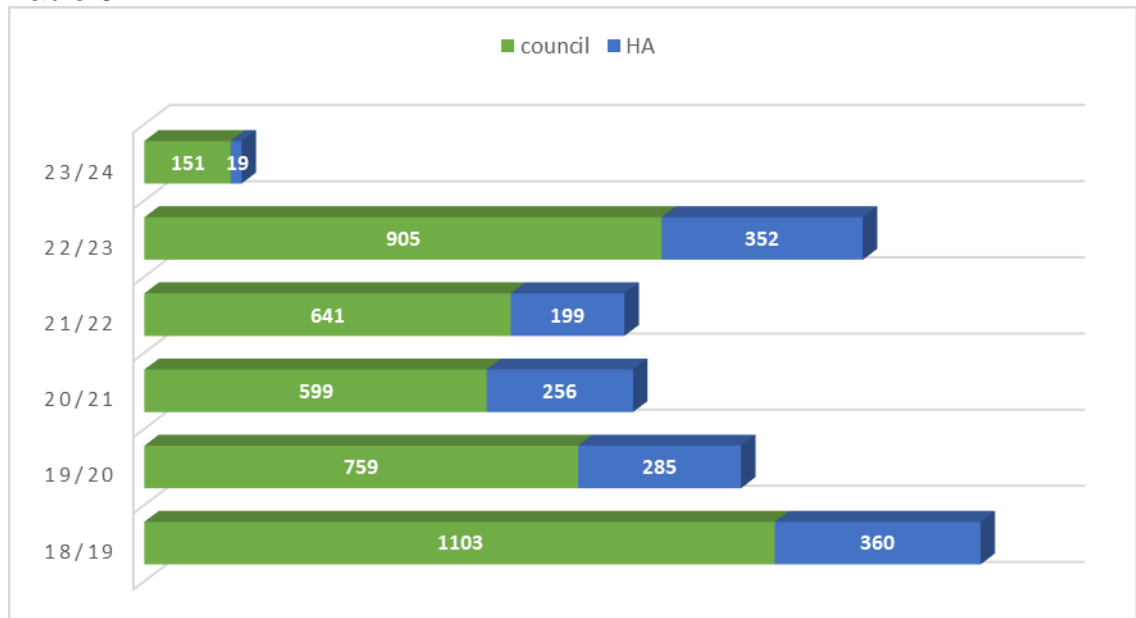
12. 554 households in band 2 have severe welfare need. The highest needs in band 3 are overcrowded households (4,514) and those that are homeless (3,314). The difficulties in receiving an offer in band 3 as a result of the supply and demand deficit are a major challenge. In order to manage temporary accommodation pressures a number of homeless household receive direct offers each month.
13. Within band 4 there are 6,229 households who have no assessed priority and 1,053 households who have been demoted to band 4 almost all because of their level of rent arrears.
14. Homelessness pressures are also increasing both in Southwark, London wide and nationally. London Councils is collecting comparative data to compare pressures now with 12 months ago given the significant worsening of circumstances felt by boroughs since the autumn. It shows homelessness presentations are increasing across London and the number of homelessness acceptances pan London is up over 14%. The numbers in TA are climbing pan London with almost a 5% increase across all TA and substantial increase when looking at those placed in B&B (167% compared to the same period a year before). This includes a worsening of the position in terms of families with dependent children staying in bed & breakfast over 6 weeks (up 827% on the figure a year ago). TA costs were reported up to 13.8% higher. Gross TA costs are up nearly 16% (or projected annual £7million) and net budget deficits are 27.5% higher. Whilst Southwark has so far managed to prevent the worst budgetary impact in recent months or the use of commercial hotels which other boroughs are experiencing, and long stays in B&B, this does not mean we are impervious to these pressures and the environment is increasingly difficult.
15. In Southwark we are now seeing 200-300 homeless approaches each month and we are making 100+ placements in emergency accommodation each month responding to this demand. Numbers in temporary accommodation climbed throughout covid but were stabilised during 2022 and 2023. Table 7 below illustrates this position. As at 23rd June 2023 there were 3,617 households in temporary accommodation. 1/3rd of these households were in Southwark estate properties let as TA, especially on some of our regeneration estates.

Table 7: Numbers in TA over time



16. Securing suitable temporary accommodation to meet homelessness demand and to discharge the homeless duty into the private rented sector has become increasingly difficult. Research by Savills and the LSE for London Councils, Capital Letters and Trust for London has shown a substantial drop in advertised supply across the capital. It also shows that rents are increasing, with those depending on local housing allowance finding the market increasingly unaffordable.
17. This has led to greater homelessness from the private sector as tenants are evicted, unable to afford increased rent levels. Those tenants are increasingly seeking support from the Council as homeless when historically they may have found their own private rented home. This is because rents now appear out of reach to many. With the impact of the cost of living crisis also driving further homelessness and housing need, this is having a major impact in terms of new demand.
18. This shrinking of supply is also making it more difficult to source accommodation for TA or for homeless prevention and discharge. Supply available is increasingly further away and more expensive. Anecdotally quality is also becoming an escalating issue.
19. Against this backdrop of increasing demand and limited private supply, social housing supply has also been inadequate to meet demand. Table 8 below shows social housing allocations over time. Lets have become less and less each year. There was some recovery in 2022/23 although this reflected 400 new build homes delivered in the period rather than any change in underlying supply.

Table 8:



20. Lets in the last 12 months can be seen in table 9 and by bed size in table 10.

Table 9:

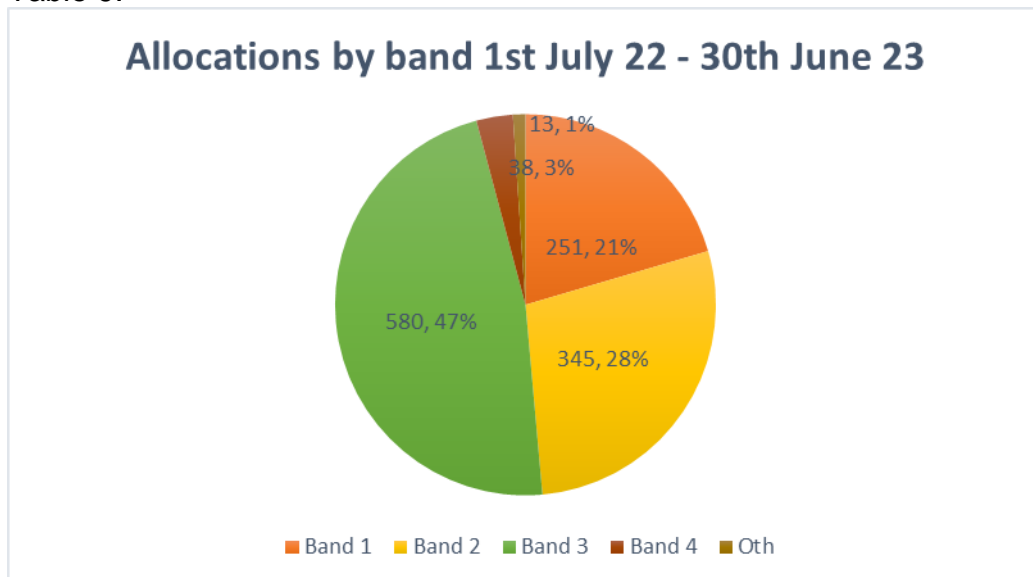
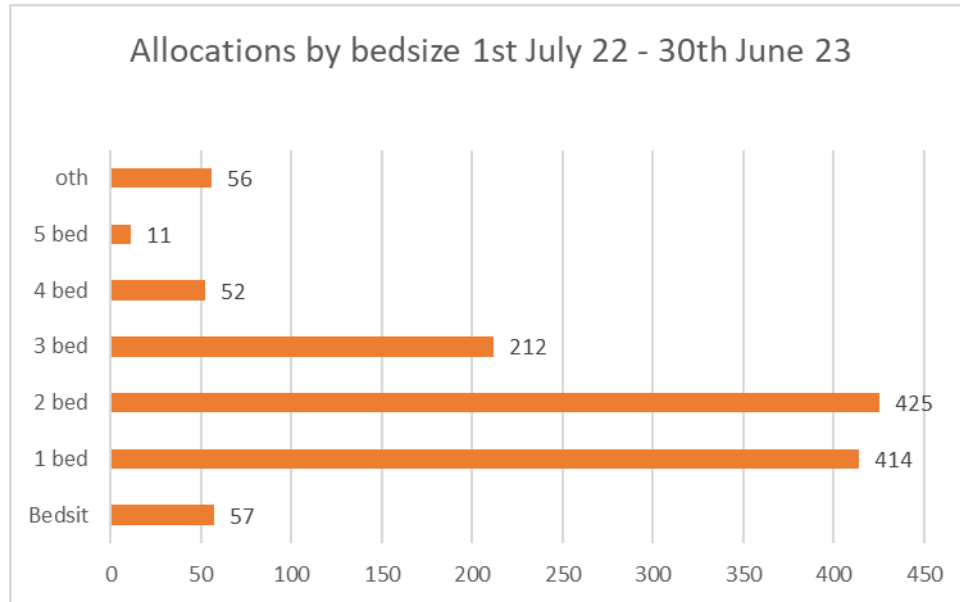
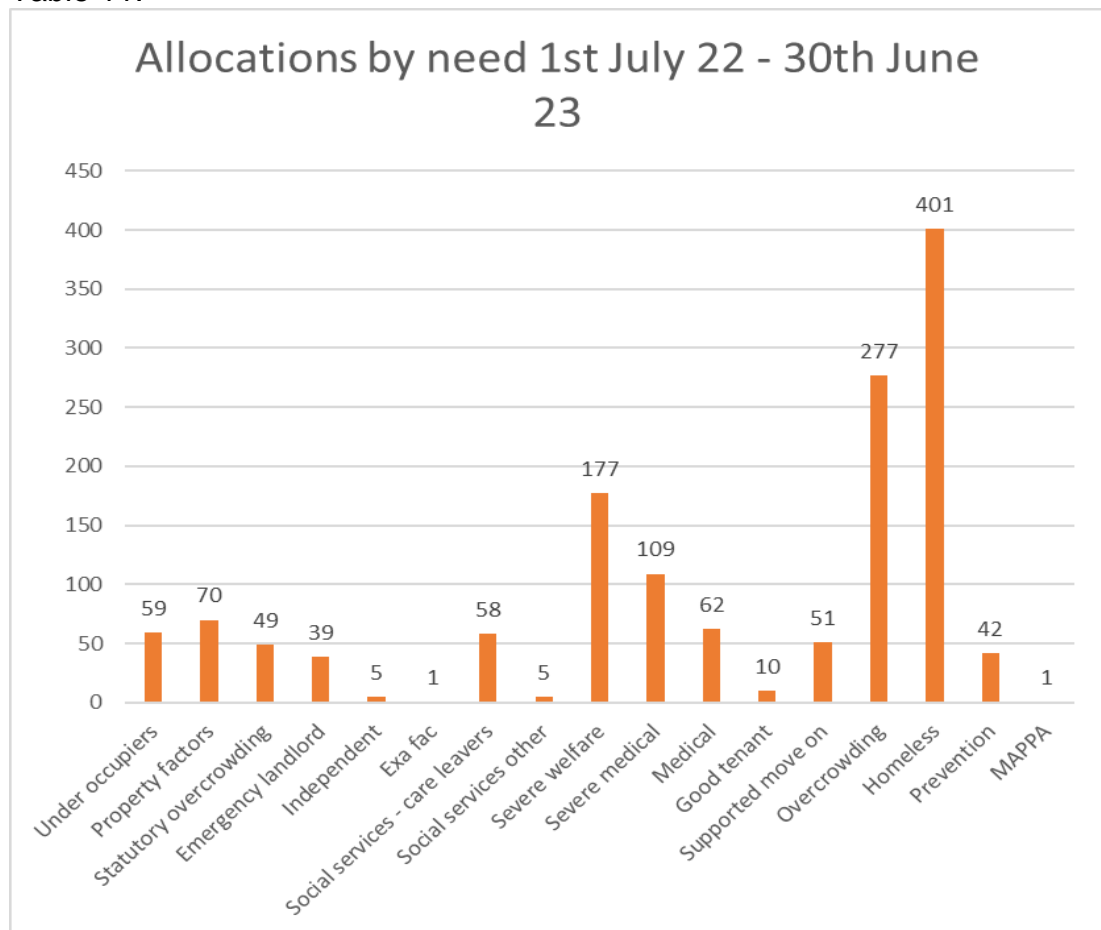


Table 10:



21. A breakdown of the priority reasons for lets in the last 12 months is shown below.

Table 11:



22. New build will help to support supply pressures in 2023/24 and 2024/5 with 900 general needs social homes (plus 200 home

ownership/intermediate products) year 1 and around 1,000 expected in year 2.

23. 50% of lettings on new build estates are prioritized for local council tenants through local lettings plans which are tailored to local areas as part of the council's commitment to support the delivery of new homes and the local residents who experience the impact of new development.
24. Average waits for social housing are becoming longer. An analysis of waits from recent lets (last 12 months) shows an average wait as follows:

Table 12:

sheltered	studio	1	2	3	4	5
7.5m	1yr10m	2yrs	3yr1m	2yr10m	3yr2m	5yr6m

25. However the above data in table 12 needs to be heavily caveated. It only presents the wait from the band a resident was rehoused from and does not count waits in lower bands from the point of registration. It also doesn't factor in those who are waiting much longer who have not yet been rehoused and is therefore only a broad indication rather than a measure of how long an individual resident is likely to wait from registration to finish, which is inevitably longer.

KEY ISSUES FOR CONSIDERATION

26. It is against this challenging backdrop that the new allocations scheme needs to be further developed and implemented.
27. Since the proposed new policy was drafted a number of legal issues with the existing policy have arisen that require adjustment of the new draft policy in order to ensure it is legally robust and appropriate. Some of these are explored below.
28. A judicial review of the policies approach to statutory overcrowding arose in early 2022. The impact of this judgement and the approach to dealing with severe overcrowding needs to be considered and re thought in the new policy. This needs to strike the right balance, as with all priority groups, between recognizing severity of consequence and balancing the volumes that are eligible for priority in order that the numbers awarded the priority move with sufficient speed. Creating a broad priority that vast numbers are eligible for will not achieve that. The new definition of severe overcrowding therefore needs to be modelled and we need to ensure it is clear, administratively manageable and sufficient for a band 1 priority in terms of eligibility. There are a number of other ways this could be approached and we need to measure the likely impact to create a balanced and proportionate response to the

situation which can respond to need without impacting overall on other high needs groups excessively.

29. Challenge around the approach to letting of disabled units/wheelchair homes also needs to be reviewed. The new policy needs to provide a proportionate response that meets customer need, the public sector equality duty and a sustainable approach to adaptation costs and void levels.
30. The draft policy enables a household applying as homeless who agrees to move into the private rented sector rather than remain in TA to continue to have priority on the register, and indeed increases that priority to band 2. Band 2 should represent an urgent housing need and effectively these households are being incentivised to move on but are applying when their housing need has effectively been resolved. This approach was sometimes used by authorities before the Localism Act enabled discharge of the homelessness duty into private rented sector as a power (rather than something done by consent only). We need to reconsider the benefit and impact of this in light of current homelessness and private sector pressures. Given the unaffordability of the private sector for many larger families, especially those reliant on local housing allowance, this could raise potential equalities/discrimination issues which need to be thought through.
31. Approach to local lettings policies – we need to ensure that the approach to local lettings is robust and operable. There are views that 100% local lettings, if not leaving releasing a net equivalent number of council homes as those newly built, has negative impacts for other reasonable preference groups who should be the core groups housed under the policy and tenants who are in areas with lower levels of development. We need to model the impacts of these given the high levels of new build supply coming forward to ensure this works well and make any necessary changes.
32. The definitions of households, in particular in terms of overcrowding, needs to be reviewed to ensure they are appropriate and sufficiently clear.
33. The approach to multiple need and community contribution needs to be reconsidered to ensure it is appropriate.
34. As part of the work to finalise the draft we have reviewed other key activity that needs to take place
 - Further numerical modelling of outcomes to ensure we have the right balance across the bands to ensure that urgent bands move sufficiently quickly.
 - A refreshed equalities impact analysis
 - Consider and take legal advice on the further consultation required on the updated draft and the route to governance
 - Ensure the draft is clear and readable. Ensure it is well laid out and able to be understood by customers and officers charged with carrying

out assessments. Ensuring there is no ambiguity or lack of clarity around key definitions. For example the definitions around serious unacceptable behavior that affect qualification.

- Consider the administrative burden created by a number of the processes – as an example the introduction of rally regular reviews of medical assessments
- Review of the approach to bed size eligibility for families with young children and single people/couples the impact on overcrowding and our policies on rightsizing
- Ensure the approach to under occupation maximises the number of tenants that will to move to smaller homes, freeing up valuable larger supply.

35. The Consultation feedback that was obtained in 2021 is summarized here [PowerPoint Presentation \(southwarkhomesearch.org.uk\)](https://southwarkhomesearch.org.uk). Some of the specific issues raised included:

- Concerns about stricter qualification criteria to join register
- Changes to eligibility for stars and removal of stars
- Concerns re the fairness of restricting new builds to social tenants only
- Homelessness applicants disadvantaged by being in band 3
- PRSO Band 2 policy unfair
- Clarity over the allocation of new homes & the annual lettings plan
- Concerns about deliberate worsening of circumstances
- Views that Band 1 should be for statutory overcrowding situations for families in need of 2 or more bedrooms
- Views that adult children should be part of the overcrowding calculation
- Comments that the draft scheme was unclear.
- Comments that the equality impact assessment was not clear/evident
- A perceived 'mismatch' between the draft scheme, recommendation report and online consultation questionnaire
- Views that the draft proposals were overly complex
- Comments that the equality audit did not commence with the project
- Families with 1 child under 5 restricted to 1 bed properties
- Singles and couples restricted to bed-sit size properties and the comment that this was omitted from the online consultation
- Comments about household eligibility rules
- Comments that the statutory overcrowded was restrictive
- Families with 1 child under 5 will not be eligible, if overcrowded, to bid for more than a 1 bed – felt not clearly explained in consultation
- Should band 1 be for those who lack 3 bedrooms
- Should band 2 be for those who lack 2 bedrooms
- Should band 3 be for those who lack 1 bedroom
- Should adult children be disregarded from overcrowding calculation where there is no medical
- Comments that the council has not yet decided how to define overcrowding – therefore process is defective
- PRSO Band 2 policy not being considered fully

- Residence requirements appears to require all applicants to have 5 year residence, regardless of working, medical care, etc. – felt not adequately covered in consultation
- Band 4 will be for those who don't meet the residency requirements but have a priority defined in Bands 1-3 – felt (not in consultation)
- Downsizing applicants is restricted to those whose housing is 'unsatisfactory'. What does this mean – felt not in consultation
- Deliberate worsening – two inconsistent definitions on new draft scheme. Also, how is this definition measured? – felt not in consultation
- Serious unacceptable behaviour is not defined
- Applicants who do not bid in 12 months being removed from the register, is this prejudice to those on lower bands – felt not in consultation
- Assessing medical priority. Those in band 2 to be assessed every 3 months, those in band 3 every 6 months. Felt not in consultation
- Question - Why are only homeless applicants penalised for refusing part 6 offers
- How will quotas in annual lettings plans be monitored
- Comment - Has discretionary succession been abandoned? No mention of it anywhere
- Comment that breach of tenancy matters for introductory tenancies is not an allocations matter and should be removed
- Non-discretionary right of return, all residents on regen should have right of return or band 1
- Policy geared towards those who work needs a more robust EQIA
- Local lettings policy not clear

Next steps

Completing the housing allocation scheme refresh

36. This consultation feedback needs to be considered in the new draft and a response on the feedback prepared.
37. Informal consultation on the new draft will be conducted over the summer and a redraft policy will be produced in the autumn. Further support will be commissioned from a specialist provider to ensure adequate resource is available for this and any further consultation. By this time advice will have been received on the approach to governance and further formal consultation which will define next steps.
38. As part of the broader priorities on allocations specific work to alleviate overcrowding and promote rightsizing has been planned. An action plan on this work has been developed and will be driven forward to maximize the benefits. The data work carried out gives some insight into the issues with overcrowding as reflected on the housing register currently. Table 13 shows those on the register will overcrowding priority and table 14 those assessed as statutorily overcrowded.

Table 13:

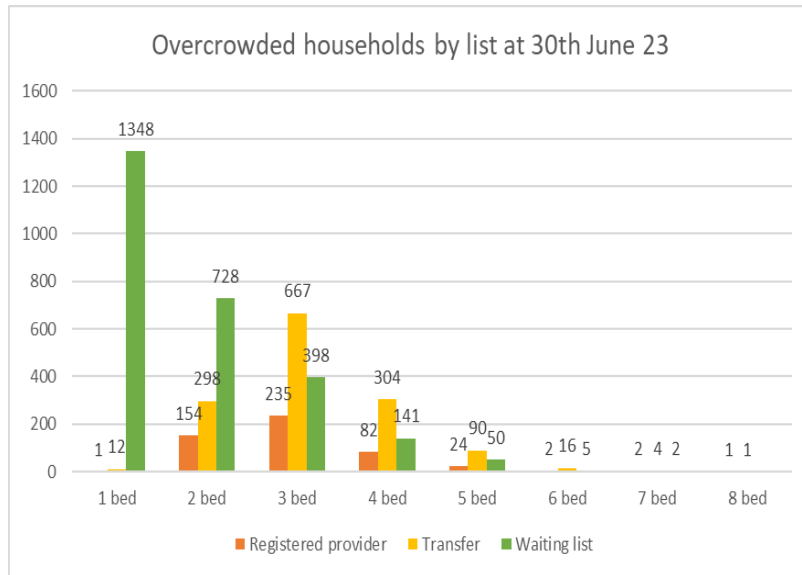
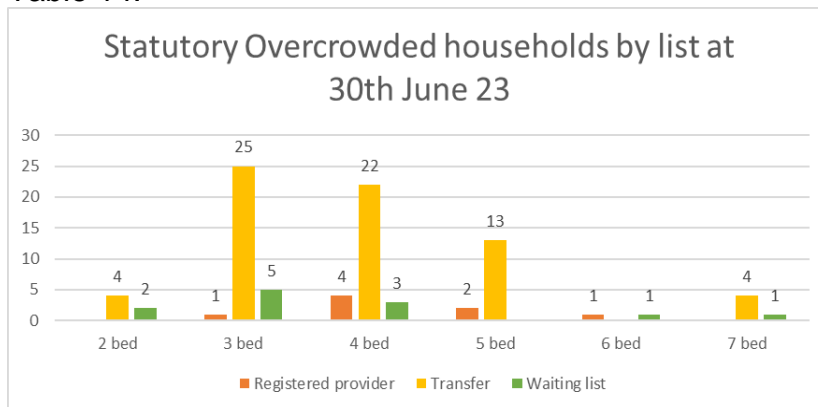
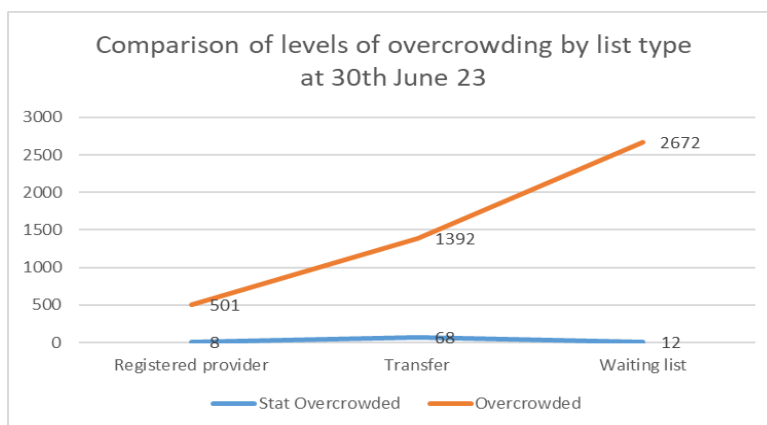


Table 14:



39. Table 15 below demonstrates that those most impacted by overcrowding are waiting list customers living in the private sector or with friends and family.

Table 15



Support for under-occupiers

40. Current Housing Mobility scheme and Rightsizing action plan works to increase the number of applicants registered to downsize and ensure the maximum number of households moved will include. There are currently 386 households registered on the waiting list with under-occupation as primary need, with 59 households supported to downsize over the past year. The current Rightsizing action plan includes:
- A revised package of incentives and support
 - A new engagement strategy with digital information and face to face group and 121 engagement.
 - Additional project support to develop new processes and ensure all opportunities are pursued
41. Upcoming areas for review include:
- broadening the package of support, including transferring utilities, furnishing, removals etc.
 - offering bespoke navigation and materials, committing to a patient relational approach, testimonials or visits from people who've moved including ability to ringfence ideal properties.
 - reviewing the per room incentive sum (surveying a sample of under-occupying tenants to determine what level would achieve a critical mass of downsizing)
42. Benchmarking work continues, but notable approaches include Brent council's specialist downsizer team, with powers to ring-fence suitable properties for prospective downsizing tenants, £5000 per bedroom given up, plus additional sums for releasing adapted homes and for welfare needs. Others include Wandsworth council who have offered priority to nearly all new build social housing for under-occupying applicants.

Maximising supply

43. A pilot approach to chain lettings will also be trialed during the year and we will consider the options for its applications to i) a local lettings scheme, ii) an estate based approach, and iii) a general lets pilot. Two sets of legal advice have already been received in relation to governance

and consultation requirements for a chain lettings framework in line with current policy, and further advice being secured on delivering this in line with appropriate process, IT support and monitoring.

Policy framework implications

44. The allocations scheme needs to comply with Part VI of the Housing Act 1996 and the relevant Codes of Guidance on allocations. The existing scheme has been in place since 2013 and as such requires update to ensure it complies with all the council's duties around housing allocations and responds effectively to current need, which will have changed since 2013.
45. The importance of allocating social homes in meeting broader housing need means this scheme has a clear link to the council's duties to the homeless under Part VII of the Housing Act 1996 and the Council's Homelessness and Rough Sleeping Strategy (currently being reviewed) and TA policy framework. The Governments Rough Sleeping Strategy and objectives to end rough sleeping are also clearly relevant.
46. The Tenancy Strategy is also being refreshed. The approach to the housing of key workers through the development of new build key worker homes needs to be considered in the allocations scheme to ensure they are consistent.
47. It also links to the Council's overarching Housing Strategy objectives.

Community, equalities (including socio-economic) and health impacts

48. The Equality Act 2010 requires the Council, when taking decisions to have due regard to the need to:
 - (a) Eliminate discrimination, harassment, victimisation or other prohibited conduct;
 - (b) Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it;
 - (c) Foster good relations between those who share a relevant characteristic and those who do not share it
49. The relevant protected characteristics are age, disability, gender reassignment, pregnancy, maternity, race, religion or belief, sex, sexual orientation. The duty also applies to marriage and civil partnership, but only in relation to (a) above.
50. When taking decisions on the exercise of council functions conscious thought must be given to the PSED, including having regard to any equality impact assessment carried out, in particular, where any possible

disproportionate effects on groups sharing protected characteristics are identified, the mitigation proposed. The cabinet member is referred to the community impact section of this report. The provision of affordable housing has a real impact on the lives of individuals and consequently on communities.

51. In drafting this allocations scheme and in the implementation of the scheme the Public Sector Equality Duty has been considered and will be an integral part of the day to day exercise of decision-making on allocations. A full equalities impact assessment of the policy draft will be undertaken so the impacts and any mitigations can be viewed when decisions are taken.
52. The housing allocations scheme contributes to the council's key priorities to create and support neighbourhoods. Policies such as local lettings enable those already living and contributing within local communities to benefit from the development of homes in their area.
53. The letting of new social homes, at affordable rent levels, supports residents on lower incomes to access genuinely affordable housing, improve their housing conditions and support them to narrow the gap in life chances for themselves and their families.
54. In the longer term the allocations scheme, through the allocation of genuinely affordable housing, supports residents to put down roots and contribute to local, community powered decision making in their area. Choice Based Lettings and the local lettings processes enable residents to make choices about where they want to live, enabling them to select a homes in the local community

Climate change implications

55. There are no direct impacts from this update report.

Resource implications

56. The allocation of social housing and the way lettings of homes are targeted can have a tangible impact on council resources.
57. New specific advice on the policy, the approach to consultation and governance and on the operation of local lettings scheme and chain lets is being sought.
58. Financial and legal advice on the draft policy will accompany any recommendations to approve a report on the new scheme.

Consultation

59. Advice on the extent of further consultation required on a fresh draft, given the lapse of time since 2021 and changes to the draft is being sought.

Details of the consultation conducted so far are described at 35-36 above.

Background Papers	Held At	Contact

AUDIT TRAIL

This section must be included in all reports.

Lead Officer	Cheryl Russell, Director of Resident Services	
Report Author	Karen Shaw, Head of Housing Solutions	
Version	Final	
Dated	5 th July 2023	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Director of Law and Governance	No	No
Strategic Director of Finance and Governance	No	No
List other officers here		
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team / Scrutiny Team	10 th July 2023	