



**Report of: Executive Member for Housing and Development**

Meeting of:	Date	Wards
Executive	4 January 2018	All

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## **SUBJECT: AMENDMENT TO THE COUNCIL'S ALLOCATION SCHEME**

### **1. Synopsis**

- 1.1 The council is required to produce an allocation scheme which sets out how social housing in the borough is allocated.
- 1.2 The council is required to modify its housing allocation scheme because of case law and the need to be flexible around allocating housing to homeless households. The council is required by law to give reasonable preference in its Housing Allocation policy to homeless people; this report sets out how Islington Council proposes to do this. In the main the council has a choice based lettings approach to letting housing and wishes to maintain this. There are some minor amendments which are proposed.

### **2. Recommendations**

- 2.1 To approve the amendment of the council's housing allocation scheme to provide an award of 40 points to homeless applicants (where the council has accepted a housing duty) who need to move due to financial hardship or where it is in the council's wider strategic interests or it helps the council manage temporary accommodation more effectively.
- 2.2 To approve a number of other minor changes to be made to the scheme listed at 3.4 below.
- 2.3 To authorise the Corporate Director of Housing and Adult Social Services to carry out a consultation with the private registered providers of social housing and registered social landlords the council has nomination arrangements with and its secure tenants.

### **3. Background**

- 3.1 Local authorities are obliged to publish an allocation scheme which contains a statement of the authority's policy on offering a choice of accommodation or the opportunity to express preferences about their accommodation to those on the register.
- 3.2 The council must give reasonable preference to people who are homeless, living in poor conditions and those who need to move for medical or welfare reasons or because they are overcrowded and current or previous serving members of the armed forces. Islington Council will continue to give priority to under occupying social housing tenants who are looking to downsize.
- 3.3 This proposal will support the department in resettling homeless families currently living in temporary accommodation into social housing in the borough.

Local authorities are obliged to review their allocation schemes in response to the Homelessness Reduction act 2017 which is due to commence in April 2018. The draft Code of Guidance on Homelessness states that housing authorities are encouraged to develop an annual lettings plan to match anticipated supply against applicant demand, taking into account the need to prevent homelessness and to provide settled accommodation to people owed the main housing duty. The council will ensure that lettings data is reviewed annually to ensure that statutory homeless applicants are provided with settled accommodation and that we are meeting our obligations to house those in reasonable preference categories.

In modifying the housing allocation scheme, the council must have regard to its current homelessness strategy, its current tenancy strategy and the London housing strategy.

#### Housing homeless households

- 3.4 As at 1 April 2017 there were 18,033 applications for housing and a housing transfer on Islington's housing register. From April 2016 to April 2017, the council let 1,100 properties through its allocation scheme; this figure includes council void properties and void properties from Registered Providers passed to the Council under nomination agreements. In this financial year to date 26% of lettings have been made to homeless households.

Islington's Housing Allocation Scheme operates on the basis of awarding points to applicants on the basis of housing need. Applicants use these points to bid for property that is available through the choice based letting system to the highest pointed bidder who accepts the property. An overriding aim of the allocation of social housing in Islington is that available properties are let in this way. Many homeless households living in temporary accommodation secure a permanent home in this way.

There are, however, occasions where the council within its allocation scheme makes a supported choice offer, where an individual is made two suitable offers of housing, or direct offers of properties to homeless households living in temporary accommodation. This ensures that the council is able to prioritise housing homeless people in accordance with the law, and respond effectively to the individual circumstances of households who have been living for substantial periods in temporary accommodation. It is an effective way of ensuring that homeless households - many of whom are single vulnerable adults - do not slip through the net. It also enables the council to manage the scarce resource of temporary accommodation as effectively as possible so that it meets the needs of residents who have more recently become homeless. The council wishes to give more detail about the circumstances in which a homeless household could be made an offer of social housing.

The allocation scheme will be amended to reflect the following clarifications around the points awarded to homeless applicants and the process for making supported choice and direct offers of accommodation:

#### **Statutory homeless applicants**

10 points are awarded to;

- people who are living in insecure accommodation and are threatened with homelessness or
- accepted homeless applicants.

Applicants to whom a duty to be housed is owed under the Housing Act 1996 will be placed on the Housing Register.

Accepted homeless applicants in temporary accommodation may also be awarded the following points if they fall under one of the following criteria:

- 100 points will be given to accepted homeless applicants in properties where the temporary accommodation lease is about to expire and who cannot be found comparable alternative temporary accommodation. These points are to be given once it is clear that actual eviction is to take place and to remain until the applicant is either housed or placed into further long term temporary accommodation, whichever is the earliest.
- 100 points may be given to accepted homeless families in bed and breakfast, or in shared annexes for more than six consecutive weeks from the date of placement and who cannot be found suitable self-contained temporary accommodation. This does not include families placed in council owned reception centres.
- 40 points will be given to accepted homeless families where the applicant needs to move due to financial hardship or where it is in the council's wider strategic interests or it helps the council manage temporary accommodation more effectively.
- 70 points will be given to single homeless applicants assessed as needing studio or 1 bedroom accommodation, where the council has accepted a full housing duty.

### **Supported Choice**

The council may operate supported choice lettings to any applicant or group of applicants which include:

- Accepted homeless applicants who have been awarded 140 points (see above),
- Residents who are vulnerable and need support in accessing accommodation.

An applicant being made an offer of housing through supported choice will be made up to two offers of suitable housing and is often accompanied on viewings by a housing officer.

In certain circumstances the council may make a direct offer of accommodation to applicants who are eligible to bid outside of the CBL system:

### **Examples of direct offers include:**

- Applicants who need to move urgently so that repair or redevelopment work can be completed.
- Applicants living in a property larger than they need and the property could be used to house another household in housing need. Where adult sons and daughters are living in the property and are not moving to the smaller property, the council may also make them a direct offer of a property to meet their assessed needs at the same time.
- Where the council has agreed to provide accommodation under the National Witness Mobility Scheme, the Safe and Secure Programme or the North London Domestic Violence protocol or pan London Domestic Violence protocol.
- It is in the Council's wider strategic interests to move a resident or it helps the Council manage the housing stock more effectively.

The above is the description of the circumstances in which a household may be made an offer of

accommodation outside of the choice based lettings system. It does not represent an entitlement to an offer of social housing and does not supersede the council's statutory duty to accepted homeless households which is to provide a stable, secure home.

The allocation scheme cannot cover every eventuality. In special cases with exceptional needs, the Service Director for Housing Needs and Strategy has discretionary power to award additional priority and approve offers of housing, taking into consideration all factors relevant to housing and social needs.

#### Other amendments to the scheme

- Including the Right to Move ensuring that social housing tenants who need to move for work related reasons are given appropriate priority under the allocation scheme.

## **4. Implications**

### **4.1 Financial implications:**

- 4.1.1 The impact of amending the Council's housing allocations scheme will result in appx 43 more cases from temporary accommodation being moved into permanent accommodation (this is based on the increase of household placements from 26% to 30% of all permanently housed cases). Based on the 2016/17 net unit cost of TA of £1,924 this will reduce costs by £82,736 per annum in the General Fund.
- 4.1.2 An additional benefit of amending the allocations scheme will enable staff to focus more time on new cases. This will come at a time when there are increasing staff pressures stemming from the Homeless Reduction Act and Universal Credit (UC). It may incentivise those in TA households receiving UC to pay any money owing to the council so as to qualify for an offer of permanent accommodation in turn reducing bad debt in the General Fund.

### **4.2 Legal Implications:**

In framing the allocation scheme the council must ensure that reasonable preference is given to the following categories of people:

- (a) People who are homeless
- (b) People who are owed a re-housing duty by the council
- (c) People occupying insanitary or overcrowded housing or otherwise living in unsatisfactory housing conditions
- (d) People who need to move on medical or welfare grounds, including grounds relating to a disability
- (e) People who need to move to a particular locality in the district of the council, where failure to meet that need would cause hardship.

Section 166 of the Housing Act 1996 provides that a local housing authority can only allocate housing accommodation in accordance with its allocation scheme. If the council proposes making an alteration to its housing allocation scheme reflecting a major change of policy, it is required to send a copy of the draft scheme, or proposed alteration, to every private registered provider of social housing and registered social landlords with which the council has nomination arrangements and afford them a reasonable opportunity to comment on the proposals.

Section 105 of the Housing Act 1985 sets out the duty on the council to consult its secure tenants (in accordance with its published arrangements) who are likely to be substantially affected by a matter of housing management including a change in practice or policy of the authority. The addition of a points allocation for homeless households in temporary accommodation may lead to increased competition for properties and affect the number of properties available to transfer applicants through the choice based lettings scheme.

In the case of *R(C) v Islington LBC* [2017] the Administrative Court found that the operation of a system of direct offers used by the council particularly to allocate accommodation to homeless applicants, had not been sufficiently set out in the housing allocation scheme and was accordingly unlawful. The

proposed amendments to the scheme will address the findings of the court in the case of C.

Regulations issued in 2015 introduced a 'Right to Move' for social tenants who need to move to take up a job or live closer to work. The amended Housing Allocation Scheme addresses the requirements of the Regulations and the government's statutory guidance.

In modifying the housing allocation scheme, the council must have regard to its current homelessness strategy, its current tenancy strategy and the London housing strategy.

#### **4.3 Environmental Implications**

No negative impacts are expected.

#### **4.4 Resident Impact Assessment:**

The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.

A Resident Impact Assessment was completed on 15 November 2017 and the summary is included below.

Although Islington Council is responsible for administering the allocation of housing, it is constrained in choosing who is allocated housing by a number of factors. These include:

- Limited supply: Although Islington administers more than 25,000 properties, fewer than 1,000 become available to let each year.
- Type of property: People can only be allocated a property where it is suitable for their needs. Almost half of all properties let annually are 1 bedroom which are unsuitable for families.
- National Legislation: Islington is bound by nationally determined legislation which requires certain groups (such as the overcrowded) be prioritised and other groups (such as asylum seekers) are excluded from social housing.
- High demand: There are more than 18,000 applications currently on the Housing Register. The majority of these applications are made by people experiencing one form of housing need such as overcrowding, insanitary conditions or homelessness. Many of these applicants also have children.

Islington Council manages allocation in the context of these limitations and aims to provide a system of allocation that is fair and addresses the high levels of need experienced by many residents.

### **5. Reason for recommendations**

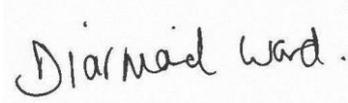
5.1 To update the council's Housing Allocation scheme in the light of case law.

To clarify the council's approach to accommodating homeless people in advance of the commencement of the Homelessness Reduction Act 2017. Housing homeless families supports the council's vision to make Islington fairer by helping children to achieve their potential, helping residents cope with the rising cost of living and supporting vulnerable residents and carers.

Appendices: None  
Background papers: None

**Final report clearance:**

**Signed by:**



Diarmaid Ward.

**Executive Member for Housing and Development**

Date 15 December 2017

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