

Homes and Neighbourhoods
Islington Council
222 Upper Street N1 1XR

Report of: Executive Member for Homes and Communities

Meeting of: Executive

Date: 12th January 2023

DRAFT NEW HOUSING ALLOCATIONS SCHEME - CONSULTATION

1. FOREWORD

Councillor O'Halloran Executive Member for Homes and Communities

At the time of writing over 15,500 households are waiting for a secure and affordable home on Islington Council's Housing Register, following a sharp rise in applications during the Covid-19 pandemic and now the Cost of Living crisis. Behind these figures are stories of individuals and families living in overcrowded homes, delaying key life decisions due to extortionate housing costs, health and wellbeing problems linked to housing, children's educational attainment and younger people's ability to invest in themselves and their futures thwarted.

With growing rent arrears, mortgage interest payments increasing from below 2% to above 6%, inflation now above 11% for the first time in over 40 years, and continuing uncertainty around the Government's post-Pandemic, Brexit and Cost of Living Crisis, the rising pressure on our council housing register makes the need to refine the criteria around how we prioritise access as immediate as it has ever been.

This report commits the council to consult all residents and partners on our proposed new allocations rules towards building strong, sustainable communities formed around our council homes, while providing a fair, transparent, consistently applied and easily understood set of criteria for

residents bidding for homes and for housing association partners. We have aimed to balance the need to support residents with most acute medical and welfare needs and those who overcrowded or without a home, while guarding against the residualisation of council housing and maintaining its status as providing for all stages of life.

Among the changes in this consultation, we are proposing to increase the priority given to victims of domestic violence, as well as making proposals to help homeless households find new ways of settling down.

We are also introducing a greater degree of flexibility to reflect local circumstances on our local letting's schemes on new build council homes to strengthen the local community benefit as well as to maximize the wider chain of benefit from new homes.

Alongside this new scheme, we are also jumpstarting several initiatives to help enable more lettings through the system, as well as promote awareness of the widest range of housing options and to make the system more user-friendly.

The stark situation we find ourselves in with the growing housing need in Islington only underscores the critical importance of the council and other builders to bring forward new, high quality, secure, social rent homes, and wherever possible to convert other tenures towards affordability, all while the Government chronically underfunds the most fundamental thing our residents need – a safe and secure home. The entire Islington community – landlords, developers, community groups, housing associations and residents in all tenures – all need to work together to tackle the housing crisis that keeps too many of our residents from living the fullest lives they can.

2. RECOMMENDATIONS

- 1.** To note the contents of the proposed draft new housing allocations scheme attached.
- 2.** To agree the proposed consultation arrangements proposed in the report.
- 3.** To report back to Executive following this consultation exercise on the outcomes of the consultation.

3. BACKGROUND INFORMATION

This most recent review of the Housing Allocations scheme has been prompted by several different factors including the introduction of the Homelessness Reduction Act, which gives local authorities the freedom to be innovative, dynamic, and transformational and the Domestic Abuse Act. Islington Council has an enormous housing register with over 15,500 applicants registered for housing, but it is anticipated there will be less than 1,000 lettings during 2023. For many of these applicants, being on the housing register will do nothing to alleviate their housing need. The new housing allocation scheme needs to be fair and transparent but recognising the council is required to ration a scarce and valuable resource to build the successful and stable communities of tomorrow.

The review has also been carried out against the background of central Government's package of welfare reforms, austerity, the remodelling of the provision of new affordable housing, Brexit, the COVID19 pandemic and through the current Cost of Living Crisis. The impact of welfare reform has had a large impact on people in Islington, and elsewhere, and has resulted in an increase in the number of residents presenting as homeless and seeking to join the housing register to access better and more affordable housing. The council has seen a 10% increase in homeless applications in the 2022/2023 financial year.

The housing allocations scheme is only part of the re-housing framework and households can achieve suitable alternative accommodation through the mutual exchanges, seaside and country homes, the Pan London and North London reciprocal arrangement and accessing private rented accommodation.

The production of the new Housing Allocations scheme and the recommendations contained above attempt to address the housing needs of residents who live in Islington, meet the legal requirements contained within the 1996 Housing Act, the Homelessness Reduction Act, and the Domestic Abuse Act. The Housing Allocations scheme also attempts to address the severe outcomes of the Welfare Reforms and the impacts of the Government's austerity measures. The new Housing Allocations scheme also follows national best practice examples and provides a sensible response to the continuing demand for housing in Islington today and in the future.

The council will introduce a localised 'right-sizing' initiative to better facilitate mutual exchange, rehousing opportunities between underoccupying and overcrowded households. This will be promoted on a regular basis through information available through the Choice Based Lettings web site, through the production of leaflets, information displayed on Estate Notice Boards, through TRA meetings, organising specific estate based drop in sessions (19 drop in sessions have been conducted during November and December 2022) and through support from officers across the council.

The council will track the chain of benefit for all new council homes schemes (starting with recent completions to analyse the rehousing impact of new homes. This information will then be promoted on the council's Choice Based Lettings web site and through future consultation exercises.

The council will establish a target for 100% of lettable voids to be allocated within 21 days.

A fundamental review of the council's housing allocations scheme was conducted during, 2021 and 2022. The council's housing allocations scheme was last reviewed in 2017. The current review was to take into consideration the greater freedoms available to local authorities to determine their lettings policies as set out in the Localism Act 2011, the recent changes introduced by the Homelessness Reduction Act 2017 and the introduction of the Domestic Abuse Act 2021. These Acts of Parliament enable local authorities to allow flexibility for priority status (alongside the existing 'reasonable preference' categories of applicants to whom local authorities must give a degree of priority under their lettings schemes) to local circumstances, such as people with strong local or family connections.

The Localism Act also gives local authorities more freedom to determine who are eligible to join their housing registers. In addition to this the Domestic Abuse Act 2021, will also be of benefit to anyone fleeing Domestic Abuse.

Because of the strategic importance of council housing and housing association accommodation in Islington, and its links to other council priorities such as economic wellbeing, improved education attainment the Fairer Together principles and improving the health of the borough, it is of the greatest importance for the housing allocations scheme to be a cross cutting strategic policy document which promotes the best solutions for Islington's residents.

Officers have carried out a benchmarking and research exercise that has looked at what other authorities are planning and recent or forthcoming changes in government policy and legislation that impacted on lettings.

Officers have attempted to make the Housing Allocations scheme easy to understand and accord with council's CARE values.

Households will continue to receive a customised handholding approach to navigate through the Choice Based Lettings scheme and the completion of housing applications when this is required. In addition to this the new housing allocations scheme will design a framework which enables the council to look at the housing needs of households through the lens of treating every household as if they are an important member of our own families.

It is believed the new housing allocations scheme meets the principles of the CARE values and principles, provides a clear, honest, and fair process, which promotes the best use of all available council and housing association accommodation.

4. Proposed changes and the reasons for these changes

The proposal to award 100 points to everyone who has been resident in the borough continuously for the last five years at the date of application will allow local people to be prioritised for the limited availability of Islington Council and Housing Association accommodation. Exceptions to this will be available for those in the legislation classified as reasonable preference groups who are not resident of Islington Council.

The council proposes to ensure people who are the perpetrator of domestic abuse, violent, coercive, or controlling behaviour towards a resident of the borough will not be permitted to join the housing register. This confirms the council's commitment towards people fleeing Domestic Abuse and ensuring the council is on the side of victims of Domestic Abuse and our commitment to end all forms of Domestic Abuse in Islington.

The council proposes when applicants who have total savings, investments and/or assets of £16,000 or more, or whose household's total gross income from all sources exceeds an annual income of £90,000 will not be permitted to join the Housing Register. This will ensure the people in the greatest housing and medical need are offered accommodation first.

It is proposed to remove the waiting time points, to prevent applicants without significant housing need who have accrued a high level of waiting time points (over the years) leapfrogging applicants who are in severe housing need. The length of time waiting will be reflected in date of registration. This will help the council to address the most severe forms of housing need in Islington

The council proposes to allow a council tenant to request one or more separate properties for their authorised household members. The council will only agree to this request where:

- the tenant and the authorised household members move to one-bedroom properties.
- the number of one-bedroom properties required does not exceed the number of bedrooms in the original larger home.
- the tenant and household member are rehoused simultaneously

This will allow the council to reduce severe overcrowding for the households who may require larger accommodation to address the wider housing, educational attainment, and health needs of the household.

It is proposed to increase the medical points for category A medical needs from 150 priority points to 200 priority points to reflect the severe medical needs within households and to enable these households to be re-housed.

It is proposed to clarify why welfare points are awarded to make the housing allocations scheme more transparent for the benefit of our residents.

The council is proposing to increase the management transfer points to reflect the severe housing needs of our tenants and to also provide clarity on how these points are awarded. This proposed change will address the severe needs and ensure people in need of a management transfer are awarded sufficient priority points.

It proposed all applications will be re-assessed and therefore all applicants will be awarded the points that will be reflected within this new housing allocations scheme. This will help to ensure all applicants are treated fairly and equitably in line with the council's CARE values and the new housing allocations scheme.

It is proposed to remove the relationship breakdown points as there is a growing increase in high needs single vulnerable applicants who require housing for example leaving looked after care children, single homeless people

which represents 70% of all homeless approaches etc. This amendment to the housing allocations scheme will help to address some of the severe shortage of social housing in Islington.

It is proposed to qualify for the New Generation scheme applicants will have to live in Islington for five consecutive years and applicants must not have been previously housed by the council. This will allow the council to address local housing needs for the benefit of our community.

The proposal is to award additional priority housing needs points for people fleeing Domestic Abuse. Therefore, applicants fleeing domestic violence and abuse that have been assessed by MARAC (Multi-Agency Risk Assessment Conference). These applicants will be awarded 30 additional priority points, in addition to the other priority points awarded. This will help the council to address the urgent housing needs of people fleeing Domestic Abuse and to provide service which reflects the council's CARE values through a trauma informed approach.

The council proposes to prevent homelessness and to place the prevention of homelessness at the heart of our service. This approach reflects the council's CARE values, places residents at the heart of service design and offer and this approach will also protect the council's financial position. It is proposed applicants who were owed under Part VII of the Housing Act 1996 a prevention duty (section 195(2)) or relief duty (section 189B(2)) who have accepted a private sector tenancy solution will be awarded 30 points additional. In addition to these applicants who would normally be offered a section 193(2) main housing duty and who have accepted a private sector tenancy solution will be awarded 70 points additional points. These proposals will help the council to reduce the number of homeless households living in expensive and inappropriate Temporary Accommodation.

It is proposed the council will review all applications where no bid has been placed on a regular basis. Applicants will be contacted to make sure that they understand how to bid and to ensure that they will be able to make future bids and provided with any support required. Applicants who persistently bid and do not attend viewings applicants, who consistently accept and later refuse properties or applicants who fail to bid for more than twelve months may be removed from the Housing Register. These applicants will be required to reapply if they consider they still have a housing need. Any decision to remove

an applicant from the housing register is subject to review. This is to ensure the council provides accommodation to households in the greatest need.

It is proposed the council will produce and publish an Annual Lettings Plan; this will set annual targets for property types across priority points. The Head of Housing Needs will draw up the Annual Lettings Plan every January. The Annual Lettings Plan will be published on the council's website.

The Housing Allocations Scheme is also monitored to make sure that allocations made reflect the housing need and meet with the requirements of legislation. This scheme will be reviewed internally periodically to ensure that its aims and objectives are met. This is to ensure the council provides accommodation to households in the greatest housing needs and the scheme is reviewed on a regular basis.

The proposal relating to the allocation of all new homes on the council estates is to enable the council to remain committed to ensuring that its new homes are meeting the needs of the local community by prioritising existing secure council tenants currently living on the estate on which they are being built. Where we construct new homes on existing estates, the local lettings of these new homes will be in accordance with the lettings plan for the individual scheme for up to 100% of the allocations.

Where lettings plans are drawn up the following will apply to the local letting's allocations:

- Applicants must be secure council tenants living on the estate who meet the bidding threshold
- Applicants must fulfil the size and property requirements for the new homes, but under-occupiers will be able to bid for a property with an extra bedroom
- Applicants with the same number of points will be prioritised based on the length of time on the housing register
- Wheelchair adapted properties will be restricted to applicants who require such properties.
- Ground floor properties will be restricted to applicants with an assessed need for ground floor accommodation.
- Properties built to 'lifetime homes' standard which is a property that can be easily adapted for wheelchair use will be allocated to applicants

assessed as needing this type of accommodation Greater detail relating to the proposed changes are described in Appendix one of this report

It is proposed to remove the Intra Estate Transfer and the Key Worker scheme from the new housing allocations scheme due to the severe shortage of housing and the increased demand in high needs cases.

It is proposed to award 100 points for households moving on from supported housing schemes where it is in the council's wider strategic interest for these applicants to move on from supported housing. This proposal will enable the council to address some of the most urgent needs of households.

The Localism Act 2011 sections 148 and 149 allows councils to accommodate homeless people into the Private Rented Sector rather than a Social Housing tenancy to allow the council to discharge its homeless duty. The operation of this section of the Housing Allocations scheme will comply with the Homelessness (Suitability of Accommodation) (England) order 2012 SI No 2601. It is recommended at that this change is implemented.

The drivers for these changes are the Localism Act 2011, the Homelessness Reduction Act 2017, the Domestic Abuse Act 2021, and the Welfare Reform Act 2012 and the demand for social housing greatly outstripping supply. Regard has also been had to the statutory guidance, Allocation of Accommodation Guidance for Local Housing Authorities in England.

In preparing the revisions to the Housing Allocations scheme regard has been had to the Housing Strategy, Homelessness Prevention and Rough Sleeping Strategy, the London Housing Plan, and the council's Tenancy Strategy. In addition to this, equalities impacts have been borne in mind throughout the process. The equality impact analysis is attached as Appendix 2 to this report.

The new approach will assist the council to adopt a managed approach to its Housing Register for the benefit of local communities. The Localism Act enables the council to better manage its housing register by giving it the power to determine which applicants qualify for an allocation of social housing. The council will be able to operate a more transparent system which better reflects local circumstances and can be understood more readily by local people.

We will monitor the number of lettings monthly and keep these new policy changes under review and if any further amendments are required to be made

to the council's Housing Allocations scheme, we will report back following a twelve month review.

5. Consultation

The key principle of the proposed consultation to progress the adoption of the Housing Allocations scheme will be inclusive of all the borough's communities, using a range of methods to provide as many residents as possible with the opportunity to engage.

The consultation will use a mix of traditional methodologies and newer methods such as online consultations to allow a wider range of residents to participate. Consultation with external stakeholders a questionnaire outlining the council's recommended changes, as well as specific questions will be sent to external partners including registered social landlords and representatives from the voluntary and community sector.

Consultation with internal stakeholders – a similar questionnaire plus specific questions for consideration, will be circulated internally to all service areas with an interest in allocations, for example housing management, Children's services, Adult Social Care, Public Health etc. The council will also conduct internal focus group meetings with each department to ensure the new housing allocations scheme meets the corporate needs of the council's wide range of residents.

All Registered Social Landlords operating in the borough will receive a letter seeking views on the proposed changes to the Housing Allocations scheme, with these consultation comments considered as part of the design of the new Housing Allocations scheme.

Financial Implications Author: [Tom Cooksey, Finance Manager]

The package of measures proposed in this consultation are not currently quantifiable. The measures proposed in this package are designed to improve the efficiency and effectiveness of the Housing service's operations. The measures are not designed as part of any existing or proposed savings.

In evaluating the package of measures in the Housing Revenue Account and in the Housing General Fund it is possible that they will reduce spending and total costs. The financial upside from the measures may come from the likely reduction in numbers in TA, time spent in TA, and the level of HRA cases in TA.

Measures relating to prioritising Domestic violence cases could have financial upsides. They can be shown to realise significant savings in the HRA. Currently those living in social housing who are victims of domestic violence may be housed in TA pending them being offered alternative accommodation. This leads to often long periods where tenants occupy TA and retain residency rights on their existing vacant property, paid for by the HRA after the first 12 months of occupancy. The current proposal would reduce the time period of those cases in TA, thereby reducing the cost to the HRA. The HRA pays for a significant amount of TA, over the last 3 years the HRA has been charged:

Financial Year	HRA TA Cost (£)
2019-2020	650,645.00
2020-2021	652,555.00
2021-2022	878,767.00

Of the HRA cases in TA, based on FY2021/22 figures, 67.25% related to domestic violence. If 50% of these domestic violence cases can be reduced through the measures in the consultation it is possible to realise up to a £295,485 reduction in costs based on FY2021/22 figures.

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Legal Implications

The proposed changes to the Housing Allocation Scheme meet the statutory requirements of Part 6 of the Housing Act 1996.

In large part, the content of the Scheme is a matter for the council's discretion, in the exercise of which regard has been given to the statutory guidance, equalities impacts and justification for the proposed changes.

The proposed consultation meets the requirements of s166A of the Housing Act 1996(consultation with social housing landlords the council has nomination arrangements with) and s105 of the Housing Act 1985 (consultation with the

council's secure tenants). The council will need to consider any responses received to the consultation.

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6. Appendices:

Appendix one the proposed changes to the housing allocations scheme

Appendix two the equality impact assessment

Appendix three the new proposed housing allocations scheme

Appendix four the draft consultation questions.

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Final report clearance:



**Signed by Executive Member for Homes
and Communities**

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