

Brighton & Hove City Council

Housing Committee

Agenda Item 56

Subject: Operational Review of Allocations Plan & Review of the Allocations Policy.

Date of meeting: 18 January 2023

Report of: Executive Director for Housing, Neighbourhoods and Communities

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Ward(s) affected: All

FOR GENERAL RELEASE

1. PURPOSE OF REPORT AND POLICY CONTEXT

- 1.1 To provide Housing Committee with an update on allocations to social housing, since the *Review of Allocations Plan 2020* was reported on 18 November 2020.
- 1.2 To review the existing Allocations Plan, taking into account the impact on the different 'queues' within the housing register.
- 1.3 To seek authority to commence a review of the current Allocations Policy.

2. RECOMMENDATIONS

That Housing Committee:

- 2.1 Note the letting outcomes for the financial years 2020/21 and 2021/22 and the first six months of the current financial year 2022.
- 2.2 Agree Option 2 as a new Allocations Plan as set out at 4.6 below, to be effective from 1 April 2023.
- 2.3 Agree to commence consultation on reviewing the Allocations Policy, noting the broad timelines that would apply

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 Local authorities can only legally let social housing under Part VI of the Housing Act 1996 (as amended). It is a requirement of the legislation to maintain a housing register, and that lettings from this register are aligned with a published policy (Allocations Policy), approved by members.
- 3.2 The current policy was agreed in 2016. Minor amendments were made in 2018, following the introduction of the Homelessness Reduction Act 2017. However, because of the scale of these changes, statutory consultation was not required.
- 3.3 The Allocations Policy of 2016 introduced an Allocations Plan. The Allocations Policy created four ‘queues’, the Allocations Plan prioritises lettings to each queue by specifying a percentage of properties advertised. The 2016 Allocations Plan is set out in table 1 (below).

Group/Queue	Proportion of properties advertised
Homeless	40%
Transfers	30%
Homeseekers	20%
Council Interest Queue	10%

Table 1: Percentage of lets aligned with Allocations Plan

Allocations Plan

- 3.4 In a report to Housing Committee on 16 September 2020, entitled *Homelessness and Rough Sleeping Strategy: Next Steps Following COVID-19* a recommendation was agreed to temporarily adjust the Allocations Plan in response to the pandemic. The following proportions in table 2 (below) were approved.

A subsequent report to Housing Committee *Review of Allocation Plan 2020*, on 18 November 2020, noted this as being the current position, with the intention to revisit this as part of the regular review of the Allocations Plan.

Group/Queue	Proportion of properties advertised
Homeless	80%
Transfers	5%
Homeseekers	5%
CIQ	10%

Table 2: Percentage of lets aligned with Allocations Plan from Sept20

- 3.5 As of 30 November 2022, there were 4,632 households on the housing register. Table 3 provides a breakdown of each of the groups. For the purposes of understanding the broad equality impact, the proportion of households identifying as BME or with a disabled member of the household, are also provided.

Group/Queue	Total	%age BME	%age Disabled
Homeless	1,358 (29.3%)	11.9%	12.9%
Transfers	1,124 (24.3%)	8.2%	62.1%
Homeseekers	2,022 (43.7%)	10.4%	21.3%
CIQ	85 (1.8%)	14.0%	2.7%

Table 3: Breakdown of current households on the housing register (Nov22)

3.6 The proportion of lets to each group since the Allocations Policy was approved is provided in table 4. This demonstrates that, although the Allocations Plan was revised to advertise 80% of new lets to households in the Homeless Group, on average lets to this group was 46% (over 5½ years), increasing to a maximum of 61% for April 2022-September 2022.

Group	YEAR						Total No.	%age
	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	Apr22-Sept22		
Homeless	306 (42%)	285 (40%)	230 (41%)	179 (47%)	315 (51%)	252 (61%)	1,567	46%
Transfers	190 (26%)	168 (24%)	138 (25%)	78 (21%)	100 (15%)	63 (15%)	737	21.5%
Homeseekers	209 (28%)	177 (25%)	126 (22%)	64 (17%)	136 (22%)	75 (18%)	787	23%
CIQ	30 (4%)	72 (10%)	75 (13%)	55 (15%)	69 (11%)	26 (6%)	327	9.5%
TOTAL	735	702	569	376	620	416	3,418	100%

Table 4: Breakdown of lets 2017/18 to Apr22/Sept22

3.7 The Covid 19 pandemic affected the number of lets available, predominantly due to reduced access to properties available for re-letting. Through this period 80% of voids were advertised to homeless households. Despite this higher proportion the 80% target was not met, as some properties would not receive high numbers of bids from this group and subsequently they would be let to other categories.

The allocations plan assists with targeting the allocation of properties towards the different queues on the register but the process is based on bidding so targets for proportions of lets to each group cannot be met if qualifying bids received for properties advertised do not coincide with those targets. More recently there has been an increase in bids from those from the homeless queue as officers have worked to contact households in TA to encourage them to bid.

During this period, there has been a reduction in the number of households in emergency accommodation, which in part may be attributed to more properties being advertised to this group (table 5).

	Mar20	Sept20	Mar21	Sept21	Mar22	Sept22
Households in EA	540	761	785	766	634	524

Table 5: Tot. nos. in emergency accommodation at month end

3.8 A review of an Allocations Policy is a statutory process. It requires formal consultation with households already on the housing register, as well as social housing providers letting through the register. It will require approval from Housing Committee at various stages, and implementing a new policy will require changes to IT systems, so that it reflects what the new policy intends to deliver. For these reasons, such a review will tend to take

between 18-24 months to develop and fully implement. A breakdown of the broad milestones required to implement an Allocations Policy is set out in Appendix 2.

- 3.9 Government Code of Guidance for Allocations recommends an existing Allocations Policy should be kept under review. Good practice is to review an Allocations Policy every 5-6 years. The current policy was agreed in 2016 and is due for review. Furthermore, since implementing the previous policy, the biggest change in homelessness legislation for over 40 years has been implemented, through the Homelessness Reduction Act 2017.
- 3.10 Any review of the Allocations Policy should take into consideration opportunities within this Act, such as supporting households whose homelessness is prevented or relieved, or where a ‘main duty’ is discharged, and subsequently provide alternatives for temporary accommodation.
- 3.11 General Principles: Households in Temporary/Emergency Accommodation
Having a high proportion of lets advertised to the Homeless household group will increase the number of lets offered to people in temporary accommodation. This will potentially reduce the number of households in temporary accommodation (see 3.7).

However, there is a risk that reducing the number of lets offered to other groups restricts their access to social housing through the housing register. They may therefore be more inclined to make a homeless application, rather than remain where they live.

Typically, this will have a greater impact on households in the Homeseekers group. Households in this category will still require a ‘housing need’ to qualify for the register, such as being overcrowded or living in a home unsuitable for their needs. They may prefer to remain in that situation, rather than be in temporary accommodation, if they believe they will continue to have opportunities to successfully bid on the register. This group makes up the largest proportion of households on the register (43.7%).

Furthermore, there are other means available to reduce the number of households in temporary accommodation. The Homelessness Reduction Act 2017 for the first time introduced a Duty to Prevent Homelessness. This largely achieved by helping households access alternative accommodation, such as through the private rented sector.

Table 6 shows that since the implementing a target of a higher proportion of lets to the Homeless group, there has been a reduction in households in temporary accommodation.

	Red (-) / Growth (+) in TA	Red (-) / Growth (+) in EA	Lets to Homeless group
Sept20- Mar21	+22	+24	82
Apr21-Mar22	-248	-151	315
Apr22-Sept22	-85	-110	252

Table 6: Lets compared to reduction/growth in EA/TA

3.12 General Principles: Transfers create new lets

If a property is let to a household from the Homeless, Homeseeker or CIQ group, then this is a single 'transaction'. In other words, there is one household moving into one property. However, households moving from the Transfer group will create a subsequent void in the property they move from. Therefore, this involves multiple transactions. Furthermore, households from the Transfer group may well be looking to move to a smaller property, which in turn creates a void in a larger home, which will tend to be much rarer within our housing stock. Therefore, it may not be advantageous to significantly reduce the number of lets being advertised to this group.

3.13 General Principles: Equalities Impacts

Categories in the housing register may include varying numbers and proportions of people from identified equalities groups. Increasing or decreasing the proportion of lets to one category will therefore have an impact on other groups. . For example, there is a higher proportion of BME households in the Homeless group (11.9%) than in the Homeseekers group (10.4%). Increasing the proportion of lets to the Homeless group will therefore have a marginally positive impact on BME households.

However, some differences are far larger. There is a higher proportion of households with a disability in the Transfer group (62.1%) compared with those from the Homeless group (12.9%). There is also a higher proportion of disabled households in the Homeseeker group (21.3%) than the Homeless group (12.9%). Therefore, increasing the proportion of lets to the Homeless group will disproportionately affect disabled households. However, this is mitigated by the fact that properties which are already adapted will only be offered to disabled households, irrespective of their Register category. Please note a more detailed Equality Impact Assessment is provided in Appendix 3.

3.14 General Principles: Incentivising homelessness prevention

Good practice, in terms of Allocations Policies reviewed post the Homelessness Reduction Act 2017, whereby households are 'incentivised' by engaging in homelessness prevention options, can be drawn from London Borough of Camden, London Borough of Lambeth and City of Leeds. These have resulted in a decrease in the number of households in temporary accommodation.

However, these 'benefits' (in terms of reducing household numbers in TA), will only be realised through a review of the Allocations Policy (see 3.8), and not through the Allocations Plan.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

4.1 Officers have taken the principles and issues outlined above to develop three different Options for the Allocations Plan. The Option agreed would be implemented from 1 February 2023 and then reviewed again as part of the process of reviewing the Allocations Policy.

4.2 Option 1

Group	Proportion of lets advertised
Homeless	40%
Transfers	30%
Homeseekers	20%
CIQ	10%

Pros:

- In line with the 2016 baseline Allocations Plan
- Maintains a good proportion of lets to Transfers
- Provides reasonable opportunities to Homeseekers

Cons:

- Reduces ability to let to households in temporary accommodation
- Potential increase in households in temporary accommodation

Option 1: Not recommended

4.3 Option 2

Group	Proportion of lets advertised
Homeless	50%
Transfers	30%
Homeseekers	10%
CIQ	10%

Pros:

- Only 10% increase (Homeless) and 10% decrease (Homeseekers) from the baseline Allocations Plan
- Maintains a good proportion of lets to Transfers
- Increases opportunity to advertise lets to households in temporary accommodation
- Increases potential to reduce number of households in temporary accommodation

Cons:

- Reduces opportunities to Homeseeker households

Option 2: Recommended

4.7 Option 3

Group	Proportion of lets advertised
Homeless	60%
Transfers	20%
Homeseekers	10%
CIQ	10%

Pros:

- Maintains increased lets to households in temporary accommodation

Cons:

- More than 10% variation from baseline Allocations Plan (for Homeless group)
- Reduces opportunity for Transfer group, which in turn reduces opportunity for 'churn'.
- Reduces opportunities to Homeseeker households

Option 3: Not recommended

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 The Council is required to consult with Registered Social Landlords in accordance with the Housing Act 1996 as amended, on any major changes to the Allocations Policy. Changes to the Allocations Plan are not considered to constitute a major change and therefore no community engagement or consultation has been carried out.
- 5.2 Should members give permission to carry out a full review of the Allocations Policy this will be subject to a community engagement and consultation plan including listening to interested parties across the city, developing a new Allocations Policy and then consulting with applicants for social housing, social tenants, residents, Social Landlords and other stakeholders.

6. CONCLUSION

- 6.1 Increasing the number of properties advertised to homeless households since September 2020 has contributed to a reduction in the number of households in temporary accommodation. Other practice, such as an increased focus on prevention activities has also played a part in reducing these numbers.
- 6.2 Although the proportion of properties advertised to homeless households has been 80%, this has not been reflected in the number of properties offered to these households, which has been 61% from April 2022 to September 2022.
- 6.3 The recommended option (Option 2) strikes a balance between continuing to focus on reducing the number of households in temporary accommodation, with ensuring there are sufficient properties advertised as transfers, which in the process generates 'churn'.
- 6.4 The wider 'benefits' of reducing the number of households in temporary accommodation will not be achieved until there is a wider review of the Allocations Policy. The Allocations Policy is due for review and as such this should commence at the soonest opportunity.

7. Financial & other Implications:

- 7.1.1 The recommended changes to the allocations plan would mean that 50% of voids would be allocated to homeless households. Table 4 in the report shows that so far for 2022/23, the council has allocated 61% of voids to homeless households.

- 7.1.2 Allocating social housing to homeless households reduces the need for expensive temporary accommodation. The data in table 4 shows that on average, there were 657 lets per year (excluding data for 2020/21 which was exceptionally low due to the pandemic). Therefore, reducing the %age of homes allocated to the homeless queue by 11% would reduce the numbers directly allocated by an estimated 72 per year. However, the recommended changes to the allocation plan suggests that 30% of voids are allocated to those awaiting transfers. Any voids allocated to transfers, effectively results in releasing more voids (the properties vacated by those transferring to other social homes). This is described in paragraph 3.12. Given that during 2022/23 so far 15% have been allocated to this queue, this increases the number of voids overall and should mean that the impact on the number of properties allocated to the homeless queue is minimal as it will be 50% of a higher number.
- 7.1.3 For example, if there are 657 lets in a year and 15% extra are allocated to transfers, ie 99, this releases 99 further voids (properties vacated by those transferring) of which 50% i.e 49 can be allocated to the homeless queue and a further 30% (29) will be allocated to the transfers queue. A further 29 voids will be created by those in the transfer queue vacating their properties and of these, a further 50% (15) can be allocated to the homeless queue. Of the 29 new voids created, 30% will be allocated to transfers...etc etc. So, due to this 'recycling effect' there should be very little overall effect on the number of vacant properties being let to homeless households, due to the higher number of empty properties being made available.
- 7.1.4 However, there is a risk that more resources will be needed to meet this extra demand on the lettings/allocations teams as a result of extra voids being created. If so, any extra costs will need to be met from within existing budgets. The lower allocation of social housing to homeless households may also act as an incentive to households requesting assistance with homeless prevention as described in paragraph 3.14 of the report, which may reduce homelessness and the need for council temporary accommodation although this is not quantifiable at this stage.
- 7.1.5 Any costs of consultation associated with a review of the allocations policy will need to be met through existing 2023/24 budgets.

Finance Officer Consulted: Monica Brooks

Date: 09-01-23

7.2 **Legal Implications:**

- 7.2.1 With regards to recommendation 2.2 this is not a review of the policy and therefore does not require consultation. It is within the committee's powers to review and agree minor variations to the allocation plan. It is good practice to keep an Allocation Policy under review. Guidance suggests that Allocation Policy reviews should take place every 5 or 6 years. For fully understandable reasons no substantive review has taken place since 2016. It is therefore appropriate for the committee to support a whole policy review..

Legal Officer Consulted: Liz Woodley

Date: 04/01/2023

7.3 Equalities Implications

7.3.1 The Council has carried out an Equalities impact assessment. This assessment was a desktop exercise on the current live Housing Register

7.4 Sustainability Implications:

7.4.1 None

7.5 Any other Significant Implications:

7.5.1 None

Appendices:

Appendix 1: Data analysis of the Allocations Plan (Sept 2020 – Sept 2022)

Appendix 2: Milestones of New Allocation Policy

Appendix 3: Equalities Impact Assessment

