



Housing and Growth Committee

23 March 2023

Title	Housing Allocation Scheme
Report of	Chair of the Housing and Growth Committee
Wards	All
Status	Public
Urgent	No
Key	Yes
Enclosures	Appendix 1 – Draft Housing Allocation Scheme Appendix 2 – Summary of Changes
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Summary

The council has developed a new draft Housing Allocation Scheme to take account of changes to the administration's priorities. If approved by the Housing and Growth Committee, the council will undertake a public consultation on the aims of the draft scheme (policy) with key stakeholders including residents and other third parties including local advocacy groups. Cabinet will then be asked to review the responses to the consultation and approve a final version of the Housing Allocation Scheme.

Officers Recommendations

- 1. Housing and Growth Committee considers and, subject to any changes, approves the proposed draft Housing Allocation Scheme for consultation.**
- 2. Housing and Growth Committee notes that the results of the consultation will be reported back to Cabinet in the new municipal year together with officer recommendations for approval of the final version of the policy.**

1. WHY THIS REPORT IS NEEDED

Background

- 1.1 The council's Housing Allocation Scheme was last reviewed in May 2019. Under Section 166A of the Housing Act 1996, as amended by the Localism Act 2011, every local housing authority in England must have a scheme (their "allocation scheme") for determining priorities, and as to the procedure to be followed, in allocating housing accommodation.
- 1.2 The council established new priorities following the May 2022 local elections, including a commitment to review the council's housing allocations and revert to a two-offer policy for social housing, and to introduce a local lettings policy to ensure local residents benefit first from regeneration projects.
- 1.3 A wider review of the Housing Allocation Scheme has been undertaken, including seeking practical feedback from the Housing Options service and undertaking a good practice review to consider practices from other local authorities in London.

Background

- 1.4 The Housing Allocation Scheme is one of the most important policy documents for the council. It makes a real difference to people's lives, but inevitably there are far more residents seeking social housing than there are properties available to let.
- 1.5 Barnet is the second largest London borough in terms of population, but has one of the smallest social housing stocks in the capital with just over 9,000 council-owned homes. The 2021 Census indicated that only 13.5% of all Barnet's housing is social housing.
- 1.6 As the tables evidence below, there is significant demand for social housing in the borough with households waiting several years for the few properties that become available to let each year. Any review of social housing in Barnet is inevitably constrained by the fact that the council only has access to several hundred homes a year.
- 1.7 At the end of January 2023, there were 3,075 households on the Housing Needs Register with 79% in Band 4 (including those in Band 4 who live in long-term suitable temporary accommodation (TA)). Band 1 is assigned to those with the highest level of housing priority who have been granted additional preference due to a very urgent need to move. Band 2 is assigned to those who need to move, fall within a reasonable preference category, and qualify for the positive Community Contribution criteria; Band 3 is assigned to those who do not qualify for the positive Community Contribution criteria. Band 4 is assigned to those who have reasonable preference but reduced priority, including those who have been placed in long term temporary accommodation by the council.

Households on Housing Needs Register	Band 1 and direct offers	Band 2	Band 3	Band 4	Band 4 (long-term TA)
End of Jan 2023	159	368	114	585	1,849

- 1.8 The average number of social housing lettings (council (LBB) and private register provider (including housing associations) (PRP) over the last three years is just under 800 per year. This is supplemented by an average of 600 private rented sector (PRS) placements.

Year	LBB	PRP	PRS
2019/20	590	244	673
2020/21	459	326	647
2021/22	514	263	551

- 1.9 The average waiting time to be rehoused, measured by days, is set out in the table below. The average wait for a 2 bedroom is 3 and a half years rising to 5 years for a 3-bedroom home.

Waiting time (days) by bed size	Studio	1	2	3	4
2022	70	705	1,319	1,877	1,205

Summary of proposed changes

- 1.10 Following the review of the Housing Allocation Scheme and performance information, a number of changes are proposed. These can be summarised broadly into major changes which affect larger numbers of applicants and/or represent a substantive change in how the allocations scheme operates, and minor changes which include items such as changing phrasing, reflecting case law and statute, and similar.

Major changes that have been proposed

- 1.11 There are 5 major changes to the policy. These are:
- 1) To revert to a two reasonable offers policy, meaning an applicant would not be sanctioned after refusing their first offer.
 - 2) After allocating homes to secure tenants living on a regeneration estate, at the point of decanting a non-secure tenant the council will look to provide a new home on that regeneration estate for any non-secure tenant owed a main homelessness duty (under Section 193(2) of the Housing Act 1996) who has held that non-secure tenancy for five years or more at the point vacant possession of the property is sought.
 - 3) Under a local lettings policy the council will give priority for local people living on any regeneration estate to be allocated a new home on that estate ahead of those who are otherwise waiting for housing and even if their home is not being demolished.
 - 4) To band (assign a priority within the Housing Allocation Scheme to) applicants owed the new prevention and relief of homelessness duties brought in under the Homelessness Reduction Act 2017.
 - 5) To allow additional successions to take place if:
 - a) they are a person living in the same household as the tenant who has died, and they lived with the tenant for at least a year immediately before their death (all

additional household members must also have lived with the tenant for at least a year immediately before their death); and

b) the tenancy is their main home; and

c) there is no partner who can inherit the tenancy defined as a married partner, civil partner, or unmarried partner.

1.12 The full details of the major and minor changes to the draft Housing Allocation Scheme are set out in Appendix 2 – Summary of Changes.

2 REASONS FOR RECOMMENDATIONS

2.10 Major changes 1, 2, and 3 are administration commitments. The change to succession rules to include other household members is a change that many other councils have made in recognition that there are household members other than partners who may have been living with the tenant for some time before their death. The banding of applicants owed a prevention or relief of homelessness duty is a statutory requirement since the introduction of the Homelessness Reduction Act 2017.

3 ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

3.1 For change 1, a three-offer policy, or a 'no sanction' policy allowing applicants to refuse any number of offers, was considered but is not recommended. This is because there is evidence that it results in high refusal rates. Many applicants wait to see if 'something better' will come up. For example, Camden Council is the only council in London to operate a 'no sanctions policy' and reports a refusal rate of over 50%, which impacts on void relet times and costs. Camden is currently proposing to revert to a two-offer policy as is the recommendation for Barnet.

3.2 Changes to the banding criteria have been considered given the pressing demands from particular groups, including care leavers and those in receipt of adult social care. Changes have not been made due to the significant pressures on supply and the high levels of housing demand within the borough. Instead, the issue of supply will be addressed through the new Housing Strategy 2023-28. In recognition of potential demand from care leavers with a profound disability or assessed as having a significant vulnerability, this has been added to the Band 1 examples of exceptional circumstances regarding welfare and hardship.

4 POST DECISION IMPLEMENTATION

4.10 The council will deliver a communications strategy to engage with and seek feedback on the draft scheme from residents and private registered providers. As set out in 5.3.4 of this report, the draft scheme must be reviewed by registered providers before it is adopted, and their comments should be considered in the final version of the scheme.

4.11 The Housing Allocation Scheme will be revised, if appropriate, following the outcomes of the consultation and will be presented to the Cabinet for approval in the new municipal year.

5 IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 The council's new draft Corporate Plan 2023-26 is centred around being a council that cares for people, our places, and the planet. The Tenancy Strategy will play a key role in helping to achieve the ambitions under the People priority to care for people by tackling inequalities, being family friendly, and living well. The draft Housing Allocation Scheme recognises that there is significant demand for social housing within the borough, and a shortage of supply. It aims to increase the level of choice available to housing applicants, and is intended to help ensure residents who live on regeneration estates have a higher priority to help create and sustain a sense of community and being able to put down roots in an area.
- 5.1.2 The Housing Strategy 2019 to 2024 sets out how the council and its partners will improve the quality of housing available and deliver the additional housing that is required in the borough due to the growing population. The strategy details delivering more housing that people can afford, including the use of Affordable Rents to provide more homes for rent on council land. A new housing strategy is currently in development, and will focus on similar core aims.
- 5.1.3 The Health and Wellbeing Strategy 2021 to 2025 recognises that the condition of and access to local housing has an important role in the quality of life and health of both individuals and communities.
- 5.1.4 The Growth Strategy 2020 to 2030 includes priorities to increase the supply of housing, deliver more homes that people can afford, deliver homes on public sector land, and support our growing older population.
- 5.1.5 Barnet's Joint Strategic Needs Assessment highlights the fact that there is a long-term shift in housing tenure towards renting and away from owner occupancy (either outright or with a mortgage), reflecting a sustained reduction in housing affordability and an imbalance between housing demand and supply.
- 5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)**
- 5.2.1 There is limited supply of social housing in Barnet, and the current housing issues experienced in the borough are putting severe pressure on the council's housing allocations and budgets. In 2021/22 there were over 2,500 homeless approaches and only 777 social housing units available to let. There are significant costs associated with housing generally, including managing the allocations service, managing the provision of council housing and providing services to those experiencing homelessness or the threat of homelessness. All of these are affected over time by the demand for housing. The Housing Allocation Scheme is the means by which that demand is allocated to existing properties. As such, changes to the plan do not have direct financial implications.
- 5.2.2 The revised Housing Allocation Scheme is expected to assist in managing those pressures and assist officers in making the best use of the resources available to them. The Housing Allocation Scheme is intended to ensure the available social housing is allocated fairly to those who are most in need. The Housing Allocation Scheme will support the council to work with social landlords to meet the housing and support needs of residents, and will promote the health and wellbeing of individuals and build sustainable, balanced, and cohesive communities.
- 5.2.3 Consultation on the draft Housing Allocation Scheme will be delivered through existing resources within the council and Barnet Homes, and continued engagement of consultants funded through existing budgets.

5.2.4 Following approval, the Housing Allocation Scheme will be delivered within the existing budgetary framework within the Housing Revenue Account.

5.3 Legal and Constitutional References

5.3.1 Part 6 of the Housing Act 1996 regulates the allocation of social housing by local housing authorities in England. A local housing authority must “comply with the provisions of [Part 6] in allocating housing accommodation” (Section 159 (1) of the Housing Act 1996); however, subject to this compliance, authorities otherwise may “allocate housing in such manner as they consider appropriate” (Section 159 (7) of the Housing Act 1996).

5.3.2 Section 166A (1) of the Housing Act 1996, as amended by the Localism Act 2011, provides that every local housing authority must “have a scheme (their “allocation scheme”) for determining priorities, and as to the procedure to be followed, in allocating housing accommodation.” For this purpose “procedure” includes all aspects of the allocation process, including the persons or descriptions of persons by whom decisions are taken.

5.3.3 Section 166A (3) through (14) of the Housing Act 1996 requires the scheme to be framed so as to secure that reasonable preference is given to certain categories of person. Section 166A (5) and (6) list factors which the authority may take into account under the scheme. Section 166A (9) requires certain information to be available. Under section 166A (10) the Secretary of State may make regulations as to the principles to be reflected in a scheme. Section 166A (12) requires the authority in preparing or modifying their allocation scheme, have regard to —

- (a) their current homelessness strategy under section 1 of the Homelessness Act 2002
- (b) their current tenancy strategy under section 150 of the Localism Act 2011, and
- (c) in the case of an authority that is a London borough council, the London housing strategy.

Section 166 (14) requires the authority not to allocate housing except in accordance with their allocation scheme.

5.3.4 Section 166 (13) of the Housing Act 1996 sets out that:

“Before adopting an allocation scheme, or making an alteration to their scheme reflecting a major change of policy, a local housing authority in England must—

- (a) send a copy of the draft scheme or proposed alteration, to every private registered provider of social housing and registered social landlord with which they have nomination arrangements, and
- (b) afford those persons a reasonable opportunity to comment on the proposals.

5.3.5 Section 160ZA of the Housing Act 1996, as amended by the Localism Act 2011, specifies that social housing may only be allocated to ‘qualifying persons’ and in subsection (7) provides that subject to subsections (2) and (4) of Section 160ZA and any regulations under subsection (8), local housing authorities are given the power to decide what classes of persons are, or are not, qualified to be allocated housing.

5.3.6 Local housing authorities are obliged to have regard to the Government’s statutory guidance on social housing allocations, “Allocation of accommodation: guidance for local housing authorities in England”, when devising and implementing their allocation schemes, and to the

Department of Levelling Up, Housing, and Communities' Homelessness Code of Guidance for Local Authorities (February 2018). The Allocation of accommodation guidance was first published in June 2012, and updates are routinely made to it.

5.3.7 The council's Constitution (Article 7 – Committees, Forums, Working Groups, and Partnerships) sets out the responsibilities of the Housing and Growth Committee which include:

(1) Responsibility for:

- housing (including housing strategy, homelessness, social housing and housing grants, private sector housing and leasing, housing licencing and enforcement, HRA Revenue Account and Capital Programme).

5.4 Insight

5.4.1 No specific insight has been used in this report.

5.5 Social Value

5.5.1 There are no specific social value aspects to this report.

5.6 Risk Management

5.6.1 The move to two offers of social housing instead of one is expected to have a positive impact on residents who qualify under the Housing Allocation Scheme, as they will be afforded more choice in the home they are allocated. The risk often expressed is that a two-offer policy will result in a higher refusal rate causing delays in letting properties with a loss of rental income.

5.6.2 Under the current one offer policy, the number of cases in Barnet where applicants are removed from the Housing Needs Register for refusing one offer is relatively low at just over 40 cases on average each year, which is around 5% of all lettings, with 95% of applicants accepting the property they are offered. This low refusal rate is understandable when set against the fact that Barnet is an area where demand for social housing far outweighs availability.

5.7 Equalities and Diversity

5.6.1 Equality and diversity issues are a mandatory consideration in the decision making of the council. This requires elected Members to satisfy themselves that equality considerations are integrated into day-to-day business and that all proposals emerging from the finance and business planning process have properly taken into consideration what impact, if any, there is on any protected group and what mitigating factors can be put in place.

5.7.2 The Equality Act 2010, section 149 sets out the Public Sector Equality Duty which requires Public Bodies to have due regard to the need to:

- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- foster good relations between persons who share a relevant characteristic and

persons who do not share it.

5.7.3 The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation, and marriage and civil partnership.

5.7.4 Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:

a) Remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic.

b) Take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it.

c) Encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

5.7.5 An Equality Impact Assessment will be undertaken after consultation to assess the potential impacts of the Housing Allocation Scheme and prior to reporting back to the Cabinet.

5.8 Corporate Parenting

5.8.1 Foster carers are included in the group that would receive highest priority (if their housing prevents them from being able to start, or continue, to provide foster care) through the council's proposed Housing Allocation Scheme. Council housing also remains the most affordable housing option for care leavers. Care leavers are placed into suitable accommodation when leaving care to allow a successful transition to independent living whilst also developing their skills by providing the right support to help them maintain their tenancies.

5.8.2 As a corporate parent to all children in care and care leavers, the council under the Children and Social Work Act 2017 must have regard to the need to act in the best interests and promote the physical and mental health and wellbeing of those children and young people, encourages them to express their views, wishes, and feelings and take such views, wishes, and feelings into account, help them gain access to and make the best use of services provided, promote high aspirations and seek to secure the best outcomes for them, help ensure they are safe and have stability in their home lives, and prepare them for adulthood and independent living.

5.9 Consultation and Engagement

5.9.1 Subject to approval by the Housing and Growth Committee, a public consultation will take place during March 2023 to June 2023. This will include an online survey and inviting comments from the public and private registered providers.

6. Environmental Impact

6.1 There are no direct environmental implications from noting the recommendations. Implementing the recommendations in the report will lead to a neutral impact on the council's carbon and ecology impact.

7. BACKGROUND PAPERS

5.10 Relevant previous decisions are listed in the table below:

Item	Decision	Link
Item 10, Housing and Growth Committee, 13 June 2022	Housing Strategy, Homelessness and Rough Sleeping Strategy, and Housing Allocation Scheme: approval to instruct officers to explore the emerging housing allocations priorities of the new administration, and where considered appropriate, review and propose amendments to the Housing Allocation Scheme and Tenancy Strategy.	https://barnet.moderngov.co.uk/documents/s72887/20220613HAG-Housing%20Strategy%20Homelessness%20and%20Rough%20Sleeping%20Strategy%20Housing%20Allocations%20Scheme.pdf