

City of Westminster Cabinet Member

Meeting or Decision Maker: Cabinet Member for Housing Services

Date: 7 October 2022

Classification: General Release

Title: Supply and Allocation of Social and

Intermediate Housing 2022/23

Wards Affected: All

Policy Context: The Allocation Scheme requires an Annual

Supply and Allocation Report setting out the proportion of social housing that will be allocated to each of the groups on the

housing register

Key Decision: Yes

Financial Summary: The gross Housing General Fund

homelessness budget for 2022/23

is £54.5m. Of this sum

approximately £48.1m relates to

the provision of temporary

accommodation

Report of: Debbie Jackson – Executive Director of

Growth, Planning and Housing

1. Executive Summary

1.1. Social housing lettings 2022/23

In line with the Housing Allocations Scheme, the annual Supply and Allocation of Social Housing Report estimates the proportion of social lettings to be made to each of the priority groups on the council's waiting list, based on available supply (known as projections). The recommended projections for 2022/23 are summarised below and detailed in Appendix B. They take into account competing demands for social housing and the council's statutory duties and strategic priorities and the overall the aim is to achieve a balanced approach to lettings. A similar number of lettings to last year is proposed in advance of a full review of the Allocation Policy.

Table 1: Projections 2022/23

General Needs	Studio	1-Bed	2-Bed	3-Bed	4+ Bed	Total	%
Homeless	24	79	63	43	0	209	45%
Westminster Council Tenants	4	49	50	38	8	149	32%
Housing Register	57	34	8	6	0	105	23%
Total General Needs	85	162	121	87	8	463	
CSH	42	204	5	0	0	251	35%
Grand Total	127	366	126	87	8	714	

1.2 Policy changes

Some urgent changes to the Allocation Scheme are proposed in advance of a full review of the scheme. These include consulting on enabling homeless households owed the Relief Duty under homelessness legislation being able to join the Housing Register, although it is suggested that they have low levels of priority points pending further assessment of needs and any further duties owed.

1.3 Homelessness policies

The impacts of the council's homelessness policies are considered through this Report. 30 successful private rented offers were made during 2021/22 and the majority (67%) were in Westminster or adjoining boroughs with the remaining in Greater London. Just under 700 moves into and around temporary accommodation took place during 2021/22 with the majority into Greater London locations. Only 1% were outside London.

2. Recommendations

- 2.1 That the Cabinet Member for Housing agrees:
 - 2.1.1 The approach to social lettings set out in table 5 and Appendix B
 - 2.1.2 The changes to the Allocation Scheme outlined in 6.1–6.14

- 2.1.3 To a consultation being carried out on homeless households owed the Relief Duty being able to join the council's Housing Register as outlined in 6.2-6.6 and that following the consultation the decision to make the necessary changes to the Allocations Scheme is delegated to the Director of Housing, in conjunction with the Cabinet Member for Housing.
- 2.1.4 The updated Accommodation Procurement Policy Action Plan 2022/23 in Appendix D.
- 2.1.5 The rebranding of the council's intermediate housing service from Home Ownership Westminster to Homes for Westminster for the reasons set out in section 6.21-6.27.

3. Reasons for Decision

- 3.1 The council's Housing Allocation Scheme is read alongside the annual Supply and Allocation of Social Housing Report, which sets out the proportion of social housing the council expects to let to the different groups in need. These lettings projections are needed to guide the approach to lettings during the year.
- 3.2 This Report is also needed in order to consider and update wider policies relating to the allocation of social and private housing for households on the council's housing register and to update any policy changes in relation to intermediate housing.

4. Background, including Policy Context

4.1 Each year the council publishes a Supply and Allocation of Social Housing Report. These reports not only relate to the letting of social homes but announce related policy changes and consider the impacts of other associated policies and deal with, on occasions, intermediate housing.

4.2 Social housing lettings

The council's Housing Allocation Scheme needs to be read in conjunction with these reports¹, as the Scheme refers to 'annual lettings projections' being made through them. These 'lettings projections' set out the proportion of social housing, which the council aims to let to the different groups with priority.

- 4.3 In order to recommend 'lettings projections' for 2022/23, a range of factors have been taken into account, including:
 - a) the council's statutory obligations
 - b) the council's strategic priorities, such as;

¹ www.westminster.gov.uk/housing-strategies#allocations-scheme

- the developing Fairer Westminster Strategy
- the homelessness strategy², which aims 'to ensure a range of accommodation is available for homeless households' and 'to develop a temporary accommodation reduction strategy', which has aims to reduce numbers and costs
- the Corporate Parenting Board Action Plan and responsibilities
- c) the varying and competing demands for social housing.
- 4.4 The aim is to take a balanced and transparent approach to the letting of social housing, however this is a holding position based on last year's lettings and a wider review of the Allocation Scheme is due to take place.

5. Social Lettings Projections for 2022/23

- 5.1 In order to project the number and proportion of lettings to different groups, available social housing supply during the year is firstly estimated, based on new supply from new build development and from natural turnover (voids) based on past trends. 714 homes are estimated to become available during 2022/23. Of these, 463 are general needs properties and 251 are Community Supportive Housing (CSH) for older people.
- 5.2 2022/23 is an unusual year for CSH, with higher levels of new supply than usual due to some new replacement supply completing (where the previous residents moved away with an option to return). All demand for CSH may not be captured as the number of returners is not yet known. In view of the uncertain picture if there are any issues with letting new CSH, the authority delegated to the Director of Housing within the Allocation Scheme may be used to let these homes in a more flexible way.

Table 2: Estimated social supply summary 2022/23

	Community Supportive Housing (CSH, Sheltered)			G	eneral Ne	eds		
Studio	1-Bed	2-Bed	Studio	1-Bed	2-Bed	3-Bed	4+ Bed	Total
42	204	5	85	162	121	87	8	714
6%	29%	1%	12%	23%	17%	12%	1%	

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² www.westminster.gov.uk/housing-strategies#homelessness-strategy

Table 3: Estimated social supply by type 2022/23

			General N	leeds/CSI	Н	
Estimated social supply by type 2022/23	Studio	1-Bed	2-Bed	3-Bed	4+ Bed	Total
RP/WCC New build	3	211	52	59	10	335
RP/WCC Routine voids (average over 3 years)	76	132	57	24	2	291
Total Net Supply	79	343	109	83	12	626
WCC Transfers (voids created 2021/22)	49	61	28	16	2	156
Total Gross Supply	128	404	137	99	14	782
WCC Decants	0	3	1	3	0	7
Regen Decants	1	35	10	9	6	61
Total Projected Supply	127	366	126	87	8	714
	18%	51%	18%	12%	1%	

Table 4: Current Demand

Housing Demand 2022/23	Community Supportive Housing (Sheltered)				То	tal			
	Studio	1-Bed	Studio	1-Bed	2-Bed	3-Bed	4+ Bed	All	%
Existing WCC Tenants	16	42	42	225	395	387	109	1216	30%
Homeless Households		1	165	14	1079	830	251	2340	58%
Housing Register	82	20	221	36	47	43	26	475	12%
Total	98	63	428	275	1521	1260	386	4031	

5.3 As the table above shows, demand for social housing will continue to outstrip estimated supply during 2022/23. Table 5 summarises projected lettings to key groups and full details are in Appendix B.

Table 5: Projected Social Housing Lettings 2022/23

	Studio	1-Bed	2-Bed	3-Bed	4+ Bed	All	%
Homeless Households: the council has statutory rehousing duties towards	24	79	63	43	0	209	45%
Existing WCC Tenants: including those that are overcrowded, that need to move for medical reasons and to enable the housing renewal programme to proceed	4	49	50	38	8	149	32%
Housing Register: including people moving on from supported housing and those needing to move for medical reasons	57	34	8	6	0	105	23%
CSH	42	204	5	0	0	251	35%
Total	127	366	126	87	8	714	

6. Policy / other changes and updates

A range of policy changes in this area are being considered in order to meet the priorities of the new administration. The following changes are in advance of this and are being put forward in view of their urgency:

6.1 Changes to the Allocation Scheme:

6.2 Homeless Households joining the Housing Register

Currently only homeless households who are owed the main housing duty are able to join the Housing Register under the Allocation Scheme.

- 6.3 In view of legal challenges made to this position it is proposed that the council consults on changing the Housing Allocation Scheme 2020 so that those who are homeless, but not owed the main housing duty, are able to join the Housing Register. This would be achieved by placing homeless applicants on the Housing Register when a decision is made that they are owed the Relief Duty^[1] under the Homelessness Reduction Act 2017."
- 6.4 The consultation will include the proposal that;
 - These households receive 20 priority points, the lowest awards of points in the Allocation Scheme so they are not awarded housing ahead of groups with higher needs and those owed the full housing duty. (The proportion of lets to each of the groups in need of housing overall is agreed through this annual report and priority points only come into effect when different households are bidding for the same property).
 - Households added to the Housing Register will be treated in the same way
 as other housing applicants for example in terms of eligibility and the
 award of additional residency and workers points.
- 6.5 Following the consultation it is proposed that the final amendments to the Allocation Scheme are delegated to the Director of Housing in consultation with the Cabinet Member for Housing and taking into account the responses to the consultation.
- 6.6 The impact of the proposed change is that the Housing Register is likely to increase by up to 700 households annually.

6.7 Homeless households and bidding

At present single homeless applicants are time limited in bidding for a property, however due to the increased demand and lack of supply of properties, applicants are sometimes unable to be successful during this period.

6.8 It is therefore proposed to extend the bidding period for homeless households requiring a studio or 1-bedroom property from 6-12 weeks to 6-12 months and amend the Allocation Scheme accordingly at section 2.2.9.

6.9 **Employment Points**

As set out in 2.6.8–2.6.16 of the Scheme, some applicants are awarded additional points for being in employment or if they are homeless and working with the council's employment service to find work. Points are awarded subject to meeting a criteria. As also set out in the Scheme (2.6.11), these employment points are withdrawn if the applicant/their partner loses their job and doesn't get further employment, permanent or temporary, for at least 16 hours per week, within 28 days.

- 6.10 Using discretion in the Allocation Scheme due to the Covid-19 public health emergency, the Director of Housing agreed a temporary change to the Scheme in 2020 so employment points were not removed if the applicant or their partner³:
 - Lost their employment due to the impact of Covid-19 and
 - Registered and worked continuously with the council's employment service (the Westminster Employment Service⁴) to find work.
- 6.11 Employment points were also retained if an applicant no longer met the criteria for them as they are now working less than the required minimum of 16 hours each week, due to the impact of Covid-19.
- 6.12 As the impact of the pandemic has now reduced this temporary approach has now been lifted.

6.13 **Mobility Category**

The current Allocation Scheme prioritises households according to their points and how long they have waited on a particular list. However, for those requiring a property suitable for a wheelchair user, their position on the list is determined by how long they have waited for that type of property and not when they first registered. This is so that it is fairer to those with a similar need who have waited longer for the same type of property where there is less supply.

6.14 It is therefore proposed to amend sections 2.2.5, 2.7.5 and 6.2.8 of the Allocation Scheme to make it clearer that households assessed as requiring a wheelchair adapted property (mobility category 1 or 2) are placed in order of

³ www.westminster.gov.uk/housing-policy-and-strategy/allocations-scheme

⁴ www.westminster.gov.uk/employment

the date of the mobility category award rather than the date they were initially registered for housing.

6.15 Homelessness Policies: Impacts

In 2017 the council published a suite of homelessness policies⁵ and the impacts of them are monitored and reported annually through this Report. As stated above these and other council policies are all being reviewed.

- A Private Rented Sector Offers (PRSOs) Policy setting out that PRSOs may be made to homeless households. PRSOs have been temporarily suspended for 2022/23 pending a policy review. During 2021/22, only 30 households moved through PRSO's and households were prioritised for properties in different locations in line with the Accommodation Placement Policy. All PRSOs were into family sized homes and 67% were into two-bedroom homes.
- An Accommodation Placement Policy setting out how homeless households will be prioritised for private accommodation (PRSOs or temporary accommodation) in different areas based on their needs, in three location Bands.

6.16 PRSOs

The majority (67%) were into Westminster or adjoining boroughs which is unusual compared with other years and none were outside London.

Table 6: Private Rented Sector Offers 2021/22

	No	%
Band 1 (Westminster and adjoining boroughs)	20	67%
Band 2 Greater London (the actual boroughs were Hackney, Islington, Enfield, Islington and Barnet)	10	33%
Band 3 Outside Greater London		
Total	30	

6.17 Temporary Accommodation (TA)

Nearly 700 TA placements were made during 2021/22, with the majority (99%) within London and only 1% outside London. The majority of placements into family sized accommodation were outside Westminster but in Greater London, which reflects the shortage of this type of accommodation in central London.

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⁵ www.westminster.gov.uk/housing-strategies#homelessness-policies

Table 7: Temporary Accommodation Placements 2021/22

2021/22	Band 1	%	Band 2	%	Band 3	%	Total	%
Studio/ 1 Bed	116	32%	242	68%			358	52%
2 Bed	11	7%	150	89%	7	4%	168	24%
3 Bed	5	6%	80	92%	2	2%	87	13%
4 Bed +	3	4%	64	93%	2	3%	69	10%
5Bed +			4	100%			4	1%
Total	135	20%	540	79%	11	1%	686	

6.18 The majority of placements were to the 25–64 age group (79%) which is the group most likely to have children.

Table 8: Temporary Accommodation Placements by age 2021/22

2021/22	Band 1	%	Band 2	%	Band 3	%	Total	
16-24	23	21%	85	77%	2	2%	110	16%
25-44	63	17%	294	80%	9	2%	366	53%
45-64	41	23%	139	77%			180	26%
65-74	6	30%	14	70%			20	3%
75+	2	20%	8	80%			10	1%
Total	135	20%	540	79%	11	1%	686	

6.19 A larger proportion of White households, where their ethnic origin is known, were accommodated in Band 1, compared with other groups, which is likely to reflect their need for smaller sized properties.

Table 9: Temporary Accommodation Placements by ethnicity 2021/22

	Band 1	%	Band 2	%	Band 3	%	Total	
Arab	6	14%	37	86%			43	20%
Asian	6	25%	18	75%			24	11%
Black	14	28%	35	70%	1	2%	50	23%
Chinese			1	100%			1	0%
Mixed	6	17%	29	81%	1	3%	36	17%
White	21	33%	42	66%	1	2%	64	29%
Grand Total	53	24%	162	74%	3	1%	218	

TO NOTE: 68% of ethnic origin data is unknown as it has not been declared by the applicant, although data on households where their ethnic origin in known is likely to reflect the overall picture.

6.20 An Accommodation Procurement Policy for Homeless Households was also published in 2017 setting out the principles that will be followed when the council is procuring private accommodation for homeless households. Its Action Plan, to ensure sufficient supply of accommodation to meet demand, is updated regularly and the Action Plan for 2022/23 is in Appendix D.

- 6.21 Changes to the Westminster Intermediate Housing Service
 The council established an intermediate housing service Home Ownership
 Westminster (HOW) in 2008. The service enables households who are eligible
 for intermediate housing and who have a local connection to Westminster to
 be prioritised for intermediate housing opportunities in the City.
- 6.22 Intermediate housing includes low-cost rental accommodation priced at a level above social housing but less than the market. This is generally termed intermediate rent. Intermediate housing also includes low-cost home ownership schemes such as shared ownership and shared equity.
- 6.23 Households who are ineligible for social housing but who are unable to afford market housing and whose household income does not exceed £60,000 are eligible to apply for intermediate rent opportunities, while those with incomes of up to £90,000 are eligible to apply for low-cost home ownership.
- 6.24 HOW successfully nominates to around 100 intermediate opportunities each year in Westminster that includes new intermediate rent lettings, relets, new shared ownership sales and resales.
- 6.25 In the early years of the intermediate service the proportion of intermediate housing opportunities made up of low-cost home ownership represented over 50% of all intermediate opportunities and the focus of the service was promoting low-cost home ownership in Westminster. However, in recent years the amount of shared ownership opportunities as a proportion of all intermediate housing opportunities available in Westminster has significantly dropped due to the costs of this product being generally unaffordable in Westminster.
- 6.26 Of the 1,272 successful nominations to intermediate opportunities made by HOW in the last 10 years, less than 25% were to low-cost home ownership schemes.
- 6.27 As intermediate opportunities in Westminster including the future pipeline of intermediate housing supply are now predominately for rent, it is proposed that the intermediate service should be rebranded from Home Ownership Westminster to Homes for Westminster to reflect a service that promotes a range of intermediate products. The service will continue to market and allocate to all forms of intermediate housing products in Westminster including rent and low-cost home ownership.

7. Equalities Implications

7.1 An Equalities Impact Assessment (EIA) has been completed on the proposed 'projections'. As Appendix C shows, the housing list is made up of different groups in need. The EIA found that when looking at demand for social housing overall, certain groups with protected characteristics were overrepresented compared to their population share: Black, Asian and Middle Eastern

- households; women, the 25–44 and the 45–65 age groups; households with children; and lone parents.
- 7.2 Whilst protected characteristics are still evident, they vary when looking at demand by each of the broad groups needing social housing (homeless households, transfer and housing register applicants). For example, these over representations are even more pronounced amongst homeless households.
- 7.3 The EIA concluded that overall the 'projections' approach generally balances lettings between all the different groups in need of housing.
- 7.4 The EIA also considers the approach (to be consulted on) with regards to homeless households owed the Relief Duty joining the Housing Register but having the lowest levels of priority points within the Allocation Scheme. It found that while those owed the duty had some protected characteristics, in that they are more likely to be younger and men compared with other homeless households, they were also less likely to have support needs or have children. Overall, the proposed approach of them having lower levels of points is considered justified.

8. Financial Implications

8.1 Any changes to the number of lettings to homeless households will impact on the temporary accommodation budget. The budget is monitored and reported on monthly. The Temporary Accommodation Reduction Strategy is being rolled out and aims to reduce costs.

Table 10: 2022/23 Base Budget

Service Area	Controllable Expenditure	Controllable Income	Grand Total
	£m	£m	£m
Homelessness	6.369	-2.248	4.121
Temporary Accommodation	48.148	-46.123	2.025
	54.517	-48.371	6.146

9. Legal Implications

9.1 The council has a duty under the Housing Act 1996 (Part VII), as amended, to ensure that accommodation is made available for homeless applicants who are owed a full housing duty by the council.

- 9.2 Where the council determines under the provisions of the Housing Act 1996 Part VII (as amended) that a person/household is eligible for assistance, homeless, in priority need and not homeless intentionally, it has a duty to secure suitable accommodation (unless it refers the applicant to another authority under the local connection provisions): s193(2), s206(1). The suitability of accommodation is governed by s210 of the 1996 Act, a number of statutory instruments made under that provision (SIs 1996/3204, 2003/3326 and 2012/2601) and by the Homelessness Code of Guidance for Local Authorities.
- 9.3 When discharging its housing duties under Part VII, the council must, so far as reasonably practicable, secure that accommodation is available for the applicant's occupation in their own district: s208(1) of the 1996 Act.
- 9.4 The Homelessness Reduction Act 2017 places a duty on Local Authorities to intervene at an early stage to help prevent homelessness and take reasonable steps to relieve homelessness for all eligible applicants, not just those in priority need.
- 9.5 By virtue of s166A Housing Act 1996 the council is obliged, in its Allocation Scheme, to afford reasonable preference to specified groups including:
 - People who are homeless, within the meaning of Part 7 of the Act or who are owed specified duties under that Part;
 - Those in insanitary or overcrowded housing;
 - Those needing a move on medical or welfare grounds;
 - Those needing to move to a particular locality within our district where hardship would otherwise be caused.
- 9.6 The Code of Guidance 'Allocation of accommodation: guidance for local housing authorities in England' issued by the Secretary of State and amended in January 2021 provides;

'Welfare grounds' would encompass a wide range of needs, including, but not limited to, the need to:

- provide a secure base from which a care leaver...... can build a stable life
- 9.7 The council is also under a general duty, pursuant to s11 Children Act 2004, to have regard to the need to safeguard and promote the welfare of children within their area.
- 9.8 As a public authority, the council must take account of the provisions of the Human Rights Act 1998 and not act in a way which is incompatible with a Convention right. Under Article 8, any interference with the right to respect for a person's private and family life and home must be proportionate and Article 14 requires that there must be no unjustified discrimination within the scope of human rights on any grounds, such as sex, race, colour, language, religion,

- political or other opinion, national or social origin, association with a national minority, property, birth, or other status.
- 9.9 The Equality Act 2010 introduced a public sector equality duty which requires the City Council when making decisions to have due regard to the need to;
 - eliminate discrimination, harassment, victimisation and any other conduct that is unlawful under the Equality Act 2010;
 - advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - and foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 9.10 The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation. The City Council is required to act in accordance with the equality duty and have due regard to the duty when carrying out its functions.

10. Staffing Implications

10.1 There are no direct staffing implications in relation to the projections. However, in relation to section 6.7–6.8 there is likely to be future staffing implications as a result of applicants being assessed and added to the list.

11. Consultation and Communications

- 11.1 A range of officers across the council were consulted in order to complete this Report.
- 11.2 Ongoing consultation and discussion on housing supply and allocations issues is carried out with key stakeholders both within and outside the council, for example through meetings with registered providers and the Housing Solutions Service Improvement Group.
- 11.3 This Report will be uploaded to the council's website where it is made clear that it links to the Housing Allocation Scheme.

12. Carbon Impact

12.1 There are no carbon impact implications arising from this report.

If you have any queries about this Report or wish to inspect any of the Background Papers, please contact;

Sally Nott, Partnership & Development Manager Email: sanott@westminster.gov.uk; Tel: 07971 616197 Cecily Herdman, Principal Policy Officer

Email: cherdman@westminster.gov.uk

BACKGROUND PAPERS:

Background papers are referenced as footnotes throughout this report.

APPENDICES:

Appendix A: Other Implications

Appendix B: Allocations Projections 22-23

Appendix C: Demand for Social Housing

Appendix D: Accommodation Procurement Policy Action Plan 2022-23

For completion by the Cabinet Member for Housing

Declaration of Interest

Signed:

I have <<u>no interest to declare</u> / to declare an interest> in respect of this report

Date:

07/10/22

NAME:	Councillor Liza Begum, Cabinet Member for Housing Services
	State nature of interest if any
	(N.B: If you have an interest you should seek advice as to whether it is
	appropriate to make a decision in relation to this matter)
Suppl	e reasons set out above, I agree the recommendations in the report entitled by and Allocation of Social Housing 2022/23 and reject any alternative is which are referred to but not recommended.
	Signed
	Councillor Liza Begum, Cabinet Member for Housing Services
	Date07/10/22
	If you have any additional comment which you would want actioned in connection with your decision you should discuss this with the report author and then set out your comment below before the report and this pro-forma is returned to the Secretariat for processing.
	Additional comment:

If you do <u>not</u> wish to approve the recommendations, or wish to make an alternative decision, it is important that you consult the report author, the Director of Law, the Executive Director of Finance and Resources, and, if there are staffing implications, the Director of People Services (or their representatives) so that (1) you can be made aware of any further relevant considerations that you should take into account before making the decision and (2) your reasons for the decision can be properly identified and recorded, as required by law.

Note to Cabinet Member: Your decision will now be published and copied to the Members of the relevant Policy & Scrutiny Committee. If the decision falls within the criteria for call-in, it will not be implemented until five working days have elapsed from publication to allow the Policy and Scrutiny Committee to decide whether it wishes to call the matter in.