

# LONDON BOROUGH OF CROYDON

<b>REPORT:</b>	<b>CABINET</b>	
<b>DATE OF DECISION</b>	<b>16<sup>th</sup> October 2024</b>	
<b>REPORT TITLE:</b>	<b>Review of the Housing Allocation Scheme</b>	
<b>CORPORATE DIRECTOR / DIRECTOR:</b>	<b>Susmita Sen, Corporate Director for Housing</b>	
<b>LEAD OFFICER:</b>	<b>Beatrice Cingtho-Taylor Director of Housing - Homelessness Prevention and Accommodation</b> <a href="mailto:Beatrice.Cingtho-Taylor@croydon.gov.uk">Beatrice.Cingtho-Taylor@croydon.gov.uk</a>	
<b>LEAD MEMBER:</b>	<b>Councillor Lynne Hale, Cabinet Member for Homes and Deputy Mayor</b>	
<b>KEY DECISION?</b>	<b>Yes</b> <b>8323EM</b>	<b>REASON</b> Key Decision – Decision significantly impacts on communities living or working in an area comprising two or more Wards
<b>Exempt Information?</b>	<b>No</b>	N/A
<b>WARDS AFFECTED:</b>	<b>All</b>	

## 1 SUMMARY OF REPORT

- 1.1 The Housing Act 1996 Part VI requires local authorities to publish an allocation scheme that sets out their policy for allocating housing provided by the council directly or by nomination in the borough. Councils are required to give reasonable preference to certain categories of applicant and have due regard to statutory guidance and the law.
- 1.2 Demand for social housing in Croydon significantly exceeds the number of properties available. In the financial year 2023-24, only one in every 10 households on the Council’s housing register had a realistic prospect of securing social housing.
- 1.3 This scheme (appendix 1) proposes a number of revisions to the current Scheme (dated 2019) to set out how Council housing is prioritised to ensure that it is fairly allocated to households in the greatest need.

## **2 RECOMMENDATIONS**

For the reasons set out in the report and appendix, Cabinet is recommended to:

- 2.1 Approve the proposed changes to the Housing Allocation Scheme 2025 set out in Section 5 and attached in Appendix 1 and authorise Officers to carry out a formal consultation with residents and key partners on the proposed changes.
- 2.2 Authorise the Corporate Director of Housing to consider the responses and outcome of the consultation on the proposed changes.
- 2.3 Agree that if there are no significant objections to the proposals following the consultation, authorise the Corporate Director of Housing to make a final decision on the proposals, make any minor amendments, and publish the revised Housing Allocation Scheme 2025.
- 2.4 Agree that if there are significant objections to the proposals following the consultation, a report on the responses and outcome of the consultation will be brought back to Cabinet for decision.
- 2.5 Note that feedback has been received from the Resident Scrutiny Panel on the proposed Housing Allocations Scheme which will be considered as part of the consultation process.

## **3 REASONS FOR RECOMMENDATION**

- 3.1 At a time of increasing demand and reduced supply, the Council must prioritise applications to ensure that the limited stock of social housing that becomes available goes to those in greatest need. The Council's housing register has over 8,000 applicants awaiting rehousing at a time when an average of 800 council and housing association properties become available every year.
- 3.2 Under Part V1 of the Housing Act 1996, all housing authorities are required to have a housing allocation scheme or policy which sets out how relative priority will be determined between applicants and the process to be followed in the allocation of social housing. Housing may not be allocated other than in accordance with the published allocation scheme.
- 3.3 The recommendations in the report have been made so that the Council's housing register more accurately reflects the level of housing need in the borough, ensuring that those with the greatest need continue to be prioritised.
- 3.4 The legislation also states that Council's should periodically carry out reviews of their Allocation scheme to ensure that it is fit for purpose. In Croydon, the policy was last reviewed in 2019. Given the prevailing housing climate, it is incumbent upon the Council to allocate its scarce resources in the right way and meet our legal obligations as well as ensure that the intentions of the policy are being met and that it remains relevant in a rapidly changing environment brought about by the Covid Pandemic, increased cost of living and volatile housing market.

- 3.5 The current Allocations Scheme is over 90 pages long and difficult for residents to understand. The amended version is shorter and will be accompanied by a guidance booklet which will make it easier for residents to find the information they require. During the forthcoming consultation, the Council will arrange for residents to comment on the document to ensure it is clear and concise.
- 3.6 Section 166a and 168 of the 1996 Housing Act requires the Council to consult on any major changes to the policy with those affected by it. This includes residents, as well as housing association and voluntary sector partners.
- 3.7 The Improvement and Assurance panel have stressed the importance of the Allocation Scheme in balancing supply and demand of Council accommodation in a time of housing need.

#### **4 BACKGROUND AND DETAIL**

- 4.1 The purpose of this policy is to explain how the Council decides how available social housing is allocated. It sets out the Council’s eligibility, qualifying and housing need criteria to ensure priority is fairly allocated to households in the greatest need.
- 4.2 This can be a balance between ensuring that the policy is accessible and understandable to residents against setting out the technical provisions and legal precedents that are part of the statutory framework and Government guidance.
- 4.3 Within the Allocation Scheme, priority for accommodation must be accorded to those who fall within the statutory reasonable preference categories:
  - those owed a homelessness duty by the Council,
  - people occupying insanitary or overcrowded housing
  - medical or welfare grounds
  - where failure to house in a particular area would cause hardship.
- 4.4 The Localism Act 2011 gives greater freedoms for Local Authorities in determining priority status for local conditions including those with strong local ties or many years of residence.

#### **Current Housing Register**

4.5 The table below sets out the increase in numbers on the housing register since 2021 and demonstrates the 15% rise over the last six months which disproportionately consist of residents in temporary accommodation who are owed the full duty and awaiting an offer.

**Table 1 – Housing register demand 2021 - 2021**

<b>Year</b>	<b>Number of applications</b>
2021	6,193
2022	6,593
2023	6,979
2024	8,221

4.6 The Council operates a priority banding system with Band 1 being urgent, Band 2 high priority and Band 3 medium priority. The table below outlines the number of applications as well as respective bedroom size required.

**Table 2 – Housing register demand by priority band and bedsize need**

Priority Band	Total	1 bed	2-bed	3-bed	4-bed	5+ bed
Band 1	587	351	158	51	17	10
Band 2	3,581	1,529	1,223	492	241	96
Band 3	4,058	1,269	1,667	783	234	100
<b>Total</b>	<b>8,221</b>	<b>3,149</b>	<b>3,048</b>	<b>1,326</b>	<b>492</b>	<b>206</b>

4.7 The table below breaks down applications into the defined housing need by priority band:

- Over 3,000 cases are homeless applicants representing 38% of those on the register.
- The recent Strategic Housing Market Assessment projected there were up to 7,000 residents under-occupying their accommodation within the 27,000 social housing stock in the borough. The Council will review its approach toward the under-occupancy scheme with a view to increasing the current number on the register (126)
- 489 applicants are Care Experienced Young Adults (CEYA) with 35 in the urgent or high priority category. The joint Housing and Children Services panel now in place is currently reviewing all CEYA housing applications to ensure the appropriate housing solution is identified for every individual. This will be reflected in the housing priority when the review is completed.

**Table 3 – Housing register demand by housing need `**

Band 1 - Urgent Housing Need	Housing Need / Reasonable Preference	Total number
	Multi/ Urgent housing need	129
	Under-occupied tenants	126
	Sheltered	119
	Management transfer	67
	Urgent housing Moves	38
	Welfare	31
	Meds / Health	30
	Overcrowding by 3 bedrooms or more	14
	Disrepair	14
	Care Leavers	10
	Armed Forces	9
<b>Total</b>		<b>587</b>

Band 2 – Increased Priority and Employed	Housing Need / Reasonable Preference	Total number
	Overcrowding by 2 bedrooms	1287
	Multi/Housing Need with Additional Preference	1232

	Homeless (including prevention) & employed	885
	Sheltered	96
	Care Leavers	25
	Welfare	21
	Move on from supported accommodation – vulnerable adults	18
	Health related housing need	17
<b>Total in Band 2</b>		<b>3,581</b>

<b>Band 3 - Moderate Need</b>	<b>Housing Need / Reasonable Preference</b>	<b>Total number</b>
	Homeless	2216
	Overcrowded - by 2 bedrooms	845
	Care Leavers	454
	Moderate housing need	306
	Move on from supported accommodation – vulnerable adults	141
	Health related housing need	48
	Sheltered	31
	Welfare	12
<b>Total in Band 3</b>		<b>4053</b>

#### 4.8 Table 4: Lettings analysis 2021-2024

4.8.1 The table below sets out the number of social housing lettings between 2021 and 2024 together with the amount of offers by banding

*The total number of properties let excludes sheltered housing*

##### 2023/4

<b>Bands</b>	<b>Studio/1 bed</b>	<b>2 beds</b>	<b>3 beds</b>	<b>4/5 beds</b>	<b>TOTAL BAND</b>
1	174	52	29	8	263
2	117	105	50	6	278
3	143	115	46	8	312
<b>TOTAL</b>	<b>434</b>	<b>272</b>	<b>125</b>	<b>22</b>	<b>853</b>

\* Housing Association 195, Council 658

##### 2022/3

<b>Bands</b>	<b>Studio/1 bed</b>	<b>2 beds</b>	<b>3 beds</b>	<b>4/5 beds</b>	<b>TOTAL BAND</b>
1	155	58	28	2	243
2	72	196	106	6	380
3	210	70	59	2	341
<b>TOTAL</b>	<b>437</b>	<b>324</b>	<b>193</b>	<b>10</b>	<b>964</b>

\* Housing Association 314, Council 650

2021/2

Bands	Studio/1 bed	2 beds	3 beds	4/5 beds	TOTAL BAND
1	146	59	31	8	244
2	89	221	90	2	402
3	164	50	33	1	248
TOTAL	<b>399</b>	<b>330</b>	<b>154</b>	<b>11</b>	894

\* Housing Association 247 Council 647

In 2023/24:-

- 125 three-bed properties were available against a demand of 1,326
- 272 two-bedroom properties were available against a demand of 3,048
- 434 one-bedroom properties were available against a demand of 3,149

For four-bedroom need or larger, only 41 properties became available during this 3-year period with 698 people awaiting housing on the housing register and 27 in the urgent category.

## 5 The key changes to the Scheme:

Following a review of the current housing allocation scheme, approved in 2019, the proposed key changes to the Scheme are as follows:

### 5.1 *Qualification criteria - residency*

*Change in residency criteria* - Data collected by officers shows that Croydon is a net importer with other London boroughs disproportionately placing their residents in Croydon (see table 5). This is because Croydon still has lower average prices for private sector properties than many inner London boroughs.

As a result, households placed in Croydon by other boroughs can join the housing register after three years. Consequently, housing pressures increase while reducing the number of homes available for local residents to access. To limit the impact, it is proposed that the existing three-year residency criterion is amended to six years.

**Rationale:** This will ensure that more homes go to Croydon residents.

The exceptions to residency criteria are set out in the policy and include those groups designated under the 1996 Act as having a reasonable preference.

The change will not be retrospective but apply to all applications from the date the final policy change is agreed.

**Table 5: Temporary accommodation placements in Croydon by London boroughs**

<b>Borough</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
Croydon	1631	1279	1588	2691	1562	1385	1242	1106	<b>12484</b>
Lambeth	218	222	174	236	180	104	167	241	<b>1542</b>
Lewisham	312	258	122	188	185	132	145	110	<b>1452</b>
Bromley	100	125	91	104	83	58	67	47	<b>675</b>
Wandsworth	34	35	20	64	78	48	66	72	<b>417</b>
Merton	87	49	48	33	15	5	9	15	<b>261</b>
Greenwich	77	56	23	20	12	3	2	3	<b>196</b>
Southwark	65	44	22	13	16	10	7	2	<b>179</b>
Sutton	10	9	24	18	22	16	20	15	<b>134</b>
Hounslow	41	7	9	3	7	2	8	3	<b>80</b>
Brent	25	6	2	5	3	6	13	13	<b>73</b>
Hammersmith & Fulham	41	21	3	2	2	1			<b>70</b>
Bexley	13	10	6	7	2	3	4	2	<b>47</b>
Camden	40	4							<b>44</b>
Enfield	6	4	13	6	4	1		1	<b>35</b>
Kingston upon Thames	3	1	19	6	2	2	1		<b>34</b>
Ealing	6	4	9	8	1	1	1		<b>30</b>
Redbridge	3	2	6	6		1	7	2	<b>27</b>
Haringey	6	8	5	5	2				<b>26</b>
Waltham Forest	9	5	5	1	1		1	1	<b>23</b>
Hillingdon	3	1	2	4	9	1	1		<b>21</b>
Newham	10	5		2	2			1	<b>20</b>
Tower Hamlets	2	3	7	3		1	1		<b>17</b>
Barking & Dagenham	4	1	2	1	5				<b>13</b>
Havering	2	1	2	3				1	<b>9</b>
Barnet	1	2	2	1				1	<b>7</b>
Hackney	2		2	1	2				<b>7</b>
Richmond upon Thames			2	1	1				<b>4</b>
Harrow			1				1		<b>2</b>

Source: Inter Borough Accommodation Agreement (IBAA) data.

A benchmarking exercise of 33 Local Authorities showed that the proposed change is in line with other boroughs with similar waiting list numbers (appendix 2)

## **5.2 Care experienced young adults (CEYA)**

There are currently 490 Care experienced young adults on the housing register with an average 100 young people transitioning into adulthood each year. In the joint Housing

and Children Services protocol approved by Cabinet in June 2023, the Council committed to give a higher rehousing priority for Care Experienced Young Adults. The proposed change formalises this commitment within the Housing Allocation Scheme

Under the current Allocation scheme, all Care Experienced Young Adults are awarded priority 'band 3'; if in employment or training they are awarded priority 'band 2'; and following Joint Housing and Children Services Panel assessment, they are moved up to the urgent 'priority band 1'

The change means that all Care Experienced Young Adults supported by Children Services will be awarded priority 'band 2' as a minimum. Those in employment or training or where the Joint Housing and Children Services Panel considers the application should be prioritised, they will be awarded priority 'band 1'

**Rationale.** As a corporate parent, the Council has a duty to provide support, advice, and guidance to Care Experienced Young Adults (CEYA) as they leave our care and into independence which includes providing them with appropriate accommodation for their needs. The Council has a joint Children Service and Housing panel that discusses the housing need and agrees the appropriate housing option of each CEYA as part of a pathway plan. The Improvement and Assurance Panel have positively commented on this proposal but have highlighted concerns about the limited supply to meet this housing need. The proposal to implement the annual lettings plan is one of the ways the Council can address this challenge.

### **5.3 Sheltered housing – change in the age criteria**

It is proposed that allocations for sheltered accommodation are made to residents who are at state pension age, without dependents and based on an assessment of the need for this type of housing. If an applicant is under state pension age and would benefit from the supportive environment within a sheltered scheme, they will be subject to a suitability assessment based on health-related needs.

Within the current Allocation scheme, the age criteria is not clearly defined and an assessment to determine whether the resident would benefit from sheltered accommodation is not undertaken. This has led to properties being allocated to residents under 60 years of age who do not require the supportive environment that sheltered accommodation offers and has on occasion caused significant management problems which can be disruptive to other residents.

**Rationale:** Such accommodation is aimed at residents who require a low to medium level of support due to frailty, ill-health, or restricted mobility. To make effective use of the stock, the proposed change will ensure allocations are made to older residents who can benefit from such accommodation by living independently while still having access to support when needed.

### **5.4 Reciprocal arrangements**

Housing reciprocal agreements are a voluntary collaboration between local authorities and registered housing providers. It benefits people who are at risk of violence or abuse

by providing a safe place to move or in cases where a resident needs support in another area to reduce provision of a care package while retaining their tenancy. Therefore, this arrangement would enable the Council to seek a housing arrangement where one borough or housing registered provider houses a resident from Croydon in exchange for housing people from that borough into a similar size property (like for like exchange).

**Rationale:** This was previously done through the Mayor of London's pan-London reciprocal housing scheme which has recently closed. The proposed change to add this to the revised scheme will ensure this housing solution remains available to Croydon residents in social housing although reaching such an agreement can never be guaranteed.

## **5.5 Lettings Plan**

It is proposed to implement an annual lettings plan.

An annual housing lettings plan can help the Council balance housing needs and supply by forecasting and allocating available housing each year. This is particularly vital where there is an emerging and overriding need to respond to local housing pressure. This may include addressing the financial pressure of homelessness and temporary accommodation, a local regeneration programme such as Regina Road, quotas for specific client groups with complex needs or care experienced young adults.

**Rationale** - The context in which the allocations policy operates is increasingly complex and the allocations of properties are inevitably about distributing scarce resources against huge demand. With limited housing resource and competing demand priorities, this proposal gives the Council the ability to respond to emerging pressures by annually forecasting and setting targets to ensure best use of resources.

## **5.6 Changes in applicants' circumstances resulting in a change in a 'priority band'**

In the current Allocation Scheme, there is a lack of clarity about how changes in circumstances which results in a change in the applicant's housing priority is assessed. It currently states that *'if awarded a higher status (priority) you will be placed in the middle of the next band'*.

This is confusing, difficult for applicants to understand and for officers to administer. This is particularly important as it is a determining factor when allocating a property where more than one applicant with the same priority band qualifies.

To make it fair and easier to understand, the following change is proposed:

- *If your housing need changes and you are awarded a higher priority band, for example, moved from priority 'band 3' to priority 'band 2', your application priority date will be the date of the reassessment.*
- *If your housing need changes and your priority band is lowered, for example from priority 'band 2' to priority 'band 3' you will keep the date of your original assessment.*

The change will not be retrospective but apply to all applications from the date the final policy change is agreed.

### **5.7 *Response times to applications***

The current Allocation Scheme commits the Council to a 10-day turnaround in processing the housing register application. Given the complexity of assessing and responding to applications, the target has not been met since the adoption of the policy in 2019. In addition, the Housing Ombudsman has found the council at fault for not complying with the target in the policy.

To address this, the Council has benchmarked performance against other London boroughs and concluded that the 10-day turnaround target was unrealistic and unachievable. It is therefore proposed to change it to 30 working days and where the case is complex, to agree an extension, if required, with the applicant.

Comparison with other boroughs show the following: -

- Tower Hamlets – 130 working days (6 months)
- Hammersmith and Fulham - 60 working days
- Lewisham – 60 working days weeks
- Camden - 50 working days
- Waltham Forest - 30 days or complexity 60 working days,
- Islington – 30 working days
- Redbridge - 28 working days
- Newham - 28 days
- Merton - 20 working days

**Rationale** – to set a realistic and reasonable application turn-around target.

### **5.8 *Revisions to the document***

A Housing Allocation Scheme should be transparent, accessible, easy to use and focussed on identifying and responding to extreme housing needs. The current scheme is 90 pages long and based on the type of complaints received, the information is not as clear as it could be.

The revised policy document has been comprehensively reviewed to ensure that it is easier to understand for residents. The size of the document has been reduced to approximately 30 pages. An additional guidance will also be produced to promote a wider understanding that the demand for social housing far exceeds what is available, and that for many a more realistic option is to explore a range of other avenues to find suitable housing.

### **5.9 *Re-instatement of the annual review of the housing register***

The current policy sets out a requirement to keep the housing register up to date and regularly check that applicants still need social housing. However, this has not been carried out for some time.

This will be reinstated, and an annual review of all applications will be carried out. Applicants will be required to confirm annually that they wish to remain on the register. Failure to respond will result in cancellation of the application.

To make the process more efficient administratively, the Housing I.T system is being enhanced to support the process.

**Rationale:** To maintain an accurate picture of the overall housing need in Croydon.

### **5.10 Bidding down**

Given the scarcity of properties and the number of families living in overcrowded conditions, it is proposed that applicants are given the option to bid for, or be offered, properties one bedroom less than their assessed size. This is subject to the following exemptions.

- Applicants with one or more children cannot bid for studio flats
- Many housing associations may not allow bids for properties that are below their bedroom standard
- The Council reserves the right not to allocate smaller housing if this will result in the household being statutorily overcrowded as defined under Part 10 of the Housing Act 1985.

Residents who take up this opportunity should be aware that once they have moved to another property, they are unable to rejoin the housing register for a transfer if they are dissatisfied with being one bedroom short.

**Rationale:** There are currently 14 households in priority 'band 1' with a 3-bed shortage and 2,132 households who need 2 bedrooms. This measure which has been introduced in a number of London boroughs gives families affected by overcrowding a better chance of alleviating their housing conditions if they are willing to compromise on the number of bedrooms they will accept.

### **5.11 Offers of accommodation**

Currently those in certain categories (medical disability, overcrowded, unsanitary or unsuitable housing and welfare or hardship applications) are offered two offers of accommodation. The following changes are recommended: -

- Only one direct offer of accommodation will be made. A direct offer is when the Council makes an offer of housing directly to an applicant in cases of emergency or in pursuance of a statutory duty. Exceptions to this are those who under-occupy, are moving from a property with adaptations that they no longer need or those who are being rehoused through an estate regeneration programme with a local lettings agreement.
- Those who have 'bided' successfully on Croydon Choice and subsequently refuse the offer will be suspended on the housing register for 12 months.

**Rationale** -The proposed change is to discourage the refusal of reasonable offers by applicants which delays the reletting of properties at a time of high housing need. The staff time spent on dealing with refusals is also wasteful.

#### 5.12 ***Revised wording - unacceptable behaviour qualifying criteria***

Within the revised policy, a statement has been included to make clear that those who are guilty of domestic abuse or coercive control are to be treated as not meeting the qualifying criteria. Currently, the Council's statement does not explicitly highlight anti-social behaviour.

**Rationale** - To support the Council's strategy towards 'Tackling Violence against Women and Girls' it is emphasised that those found guilty of committing acts of domestic abuse and behaviours of coercive control will not qualify to join the housing register.

#### 5.13 ***Review of under occupation scheme.***

The Council will review and implement its under occupation scheme by April 2025

**Rationale** There are only 126 under occupation cases on the housing register. According to Croydon's strategic management housing assessment (November 2023) there is an estimated 7,000 tenants from the boroughs 27,000 social housing stock under occupying accommodation making a review of the under occupation offer necessary to encourage take up.

## **6 ALTERNATIVE OPTIONS CONSIDERED**

6.1 The Housing Act 1996 states that the Allocation Scheme can be reviewed periodically meaning there is no legal necessity to review the policy at this time. However, the substantial increase in those joining the register makes it necessary to examine the policy both for its ease of reference to customers and to assess the qualifying and priority 'band' criteria in comparison with other boroughs.

6.2 As stated above, the Council could choose not to carry out a review of the Scheme. However, as part of the Council's response to the Regulator of Social Housing, the Council is committed to reviewing its suite of key strategies as well as having regard to the London Mayor's Housing Strategy. Having updated the Housing and Homelessness and Rough Sleeping Strategy, the Council is committed to reviewing the Allocation Scheme.

6.3 Without an update to the policy, the following may occur.

- The Council's capacity to manage the rising homelessness will remain limited as without a targeted lettings plan for rehousing there may be additional pressures on the general fund. At a time when there are 3,500 households in temporary

accommodation at a net cost of £9,223 per household per year, the changes to the scheme will enable the Council to manage this financial strain.

- There may be inadequate support for vulnerable groups and care experienced young adults, individuals in supported accommodation, and those with complex needs (mental health, substance abuse) who may have limited access to housing. The lack of prioritisation and targeted quotas will prevent the Council from meeting its commitments, particularly for care-experienced young adults and people ready to move on from supported living.
- Reduced flexibility in allocation: Without amendments, the current allocation scheme will not address changing local needs, such as regeneration of estates. A lack of targeted lettings plans could prevent the effective use of limited housing stock and lead to inefficient allocations that fail to reflect shifting demands.
- Missed opportunity for policy simplification: The current 90-page scheme is difficult for both residents and officers to navigate. Without the changes, it will remain inaccessible, creating confusion and inefficiencies in housing allocation. The proposed reduction to a more concise 30-page document would make the process clearer, more transparent, user-friendly, and less open to legal challenge.

## **7 CONSULTATION**

7.1 This report presents a draft allocation scheme and requests permission to carry out a consultation with all stakeholders regarding the proposed changes in section 5.

7.2 Following the consultation, the Council will produce a summary report setting out any the feedback for consideration by the Corporate Director of Housing.

7.3 The Council are legally required to consult local Housing Associations and are also committed to engaging all residents regarding any changes to the Allocation Scheme. In addition, the Council will commit to contacting voluntary sector organisations in the borough for their views, many of whom are working with people who are hidden homeless or rough sleeping.

7.4 The consultation will involve the following.

- A survey of all stakeholders regarding the proposed changes
- Members through an All-Member briefing on the revised Housing Allocation Scheme
- Voluntary, community, and faith sector partners
- Private rented sector landlords and tenants.
- Housing associations
- Tenants and leaseholder panel

7.5 The Council are also aware of the contribution made by the resident led Housing Scrutiny Panel who produced a scrutiny report on the Allocations service in April 2024 and will ensure that the group are fully involved in the consultation process.

7.6 The Scrutiny Housing Committee will consider the Housing Allocation Scheme in November.

7.7 The Consultation though centred on the proposed changes to the scheme, will not limit stakeholders from commenting on any aspect of the scheme.

## **8 CONTRIBUTION TO EXECUTIVE MAYOR'S BUSINESS PLAN**

8.1 Under Outcome 4 Priority 3 of the Executive Mayor's Business Plan, the Council commits to working with tenants to transform the Housing Directorate into an effective and responsive service as set out in a revised Housing Improvement Plan.

8.2 Proposals within the Allocation Scheme are also consistent with Outcome 1 of the Executive Mayors Business Plan which commits the Council 'to get a grip on the finances and make the Council financially sustainable.'

## **9 IMPLICATIONS**

### **9.1 FINANCIAL IMPLICATIONS**

9.1.1 The Council's temporary accommodation budget is under considerable strain. Croydon and London have seen a continued growth in homelessness. This is due to the rising costs of finding suitable properties and ongoing restrictions in welfare support. The supply has been further impacted by landlords exiting the temporary and private rented sector resulting in fewer properties that are affordable in the local area.

9.1.2 The revised Allocations Scheme is recommended to enable the Council to manage the numbers on the housing register and implement a more effective policy on property allocations with the expectation that it will contribute to the demand management and cost avoidance work which is underway to reduce the overspend on the temporary accommodation budget.

Comments approved by Orlagh Guarnori on behalf of the Director of Finance. (Date 05/09/2024)

### **9.2 LEGAL IMPLICATIONS**

9.2.1 Section 166A of the Housing Act 1996(HA96) requires every local housing authority in England to have a scheme for determining priorities, and the procedure to be followed in allocating housing accommodation, and to allocate accommodation according to that scheme.

9.2.2 Under section 159 of HA96, allocation schemes apply to:

- (i) selection to be a secure or introductory tenant in its own stock
- (ii) nomination to be a secure or introductory tenant of another provider's stock and;
- (iii) nomination to an assured tenancy of stock held by a private registered provider or a registered social landlord.

The term 'assured tenant' includes a person with an assured shorthold tenancy. 'Secure tenant' includes a person with a flexible tenancy granted under s.107A of the Housing Act 1985.

9.2.3 In preparing or modifying framing its allocation Scheme, the Council must have regard to its own Homelessness and Tenancy Strategies and to the London housing strategy (HA96 s166A (12)).

The Council is also required to give reasonable preference to certain categories of persons on the Register, principally:

- People who are homeless
- Those living in insanitary or overcrowded conditions or otherwise living in unsatisfactory housing conditions
- Those who need to move on medical or welfare grounds
- Those who need to move to a particular locality within the district where it would cause hardship if they were unable to do so.

There is however no requirement that equal preference be given to each priority category, if those falling within any of the categories are generally given preference over those who do not.

The revised scheme is framed to ensure that the needs of those in the reasonable preference categories are addressed.

9.2.4 An allocation scheme must include a statement as to the housing authority's policy on offering people a choice of accommodation or the opportunity to express preferences about the accommodation to be allocated to them (s.166A). It is for housing authorities to determine their policy on providing choice or the ability to express preferences. The revised scheme contains information about the council's commitment to offering choice.

9.2.5 An allocation scheme can include provision to meet local needs and priorities within its allocation scheme and allocate accommodation to persons of a specific description (HA96 s166(6)(b)) provided that those provisions do not dominate the scheme. This is the legal basis for local lettings policies, provision for which is included in the revised allocation scheme.

9.2.6 The allocation scheme can take account of various factors in determining relative priorities between applicants in the reasonable (or additional) preference categories (s.166A(5)). Examples of such factors include financial resources, behaviour, and local connection.

9.2.7 Section 160 ZA subsection (7) of HA96 provides that subject to subsections (2) and (4) and any regulations under subsection (8), a local housing authority may decide what classes of persons are, or are not, qualifying persons.

The revised allocation scheme sets out criteria that will determine whether an applicant can join the housing register.

9.2.8 Before making a major alteration to its Scheme, the Council is required (s166A (13)) to send a copy of the proposed alteration to every private registered provider and registered social landlord with whom they have nomination arrangements and give them a reasonable opportunity to comment on the proposals.

9.2.9 When an alteration is made to a scheme reflecting a major change of policy, an authority must ensure within a reasonable time that those likely to be affected by the change have the effect brought to their attention, taking such steps as the housing authority considers reasonable (HA96 s.168(3)).

9.2.10 As a matter of practice, the council is consulting on proposed changes to its allocation scheme. The law requires that consultation must be undertaken when proposals are at a formative stage and include sufficient reasons for the proposal and time for interested parties to respond. This report seeks authority to undertake the required consultation.

9.2.11 The Equality Act 2010 introduced a public sector equality duty which requires the 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.

The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, and sexual orientation. The Council is required to act in accordance with the equality duty and have due regard to the duty when carrying out its functions. An Equality Impact Assessment concerning the proposed changes to the allocation scheme has been carried out.

9.2.12 In amending their allocation scheme, an authority must ensure that it has regard to the need to safeguard and promote the welfare of children. Discussions between the housing and social services departments have taken place and will continue to take place before the implementation of the revised scheme.

9.2.13 The Code of Guidance 'Allocation of accommodation: guidance for local housing authorities in England 2012' issued by the Secretary of State and amended in June 2024 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. The revised scheme addresses the re banding of care leavers and care experienced young people.

- 9.2.14 In framing an allocation scheme and making a change in the qualifying period of residence in the borough that is required on the part of applicants, case law requires an authority to ensure that it makes specific provision for groups that may suffer indirect discrimination because of the length of residence in borough that they required. The revised scheme includes mitigations for specific groups that may be affected by revisions to the length of residence required in the borough.
- 9.2.15 Local authorities may set their own criteria within the reasonable preference categories, in deciding who may be housed on medical or welfare grounds, including with respect to qualification for sheltered accommodation.
- 9.2.16 Section 169 of HA96 requires the council in exercising its functions under Part 6 of the Act to have regard to any guidance issued by the Secretary of State. The scheme has regard to the Allocation of accommodation: guidance for local housing authorities in England (2012) as amended.

Comments approved by Khumo Matthews (30/9/24) on behalf of the Director of Legal Services and Monitoring Officer.

### **9.3 EQUALITIES IMPLICATIONS**

9.3.1 The Council has a statutory duty to comply with the provisions set out in Section 149, Equality Act 2010. The Council must therefore have due regard to:

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

The protected characteristics defined by law are race and ethnicity, disability, sex, gender reassignment, age, sexual orientation, pregnancy and maternity, religion or belief, marriage, and civil partnership.

9.3.2 An Equalities Impact Assessment has been carried out and found the following;

- The Allocations Scheme extends the residency criteria to 6 years but does not affect those with 'reasonable preference' who retain their housing priority (see 9.23). This policy will affect those who have more recently moved into Croydon, as well as those who have more than 3 and less than 6 years residency and are seeking to join the housing register. This will impact equally on all applicants.,
- Care Experienced Young Adults will receive a higher priority in the revised scheme demonstrating the council's commitment to its role as corporate parent.
- Those with the greatest housing need will not have an adverse impact as a result of the revised Allocation Scheme.

- The Council awards a higher housing priority (band 2) for those in employment or training. To ensure it has a positive impact the Council will carry out an in-depth review of this scheme between now and October 2025.
- Under the scheme, exceptions are applied to specific groups to mitigate adverse impact of the six-year residency requirement- i.e., travellers or gypsies living a traditional travelling lifestyle, refugees who during the last 6 years have been accommodated by the National Asylum support service, members of the armed forces who have served without discharge in the last 5 years as well as bereaved spouses.

Comments approved by Ken Orlukwu, Senior Equalities Officer, on behalf of Helen Reeves, Head of Strategy & Policy on 17/09/2024

## **10 RISK MANAGEMENT IMPLICATIONS**

10.1 Housing has been identified as an area of key concern by the Government and the progress of the Transformation Programme is monitored by the Improvement and Assurance Panel appointed by the Secretary of State. Failure to progress the improvement of housing services would therefore impact on the ability for the borough to achieve an exit from intervention in July 2025.

## **11 APPENDICES**

**Appendix 1- Housing Allocation Scheme**

**Appendix 2– Benchmarking on residency criteria and waiting list numbers**

**Appendix 3 - Changes to the scheme**

**Appendix 4 - EQIA**