City of Westminster

Communities, Regeneration and Housing Policy and Scrutiny Committee

Date:	26th January 2022
Classification:	General Release
Title:	Supply & Allocation of Social Housing 2022/23
Report of:	Neil Wightman – Director of Housing
Cabinet Member Portfolio	Housing
Wards Involved:	All
Policy Context:	Housing Allocations Scheme
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Executive Summary

Each year the council publishes a Supply and Allocation of Social Housing Report which projects the proportion of lets that are estimated to each of the c. 30 groups (c4,000 households) with priority for social housing, taking into account the likely supply for that year and the council's legal duties and strategic priorities. This annual Report is part of the Allocations Scheme.

In advance of the 2022/23 report being developed, the Committee is asked to comment on the proportion of social lets that could be made to the different groups during this year, noting that increasing lets to one group results in a reduction to another, as supply is limited and won't meet demand. The Report also sets out the new social supply coming on stream and work generally to increase supply.

The main factors influencing lettings projections during 2022/23 are households that need to move to enable the housing renewal programme to proceed (79), ongoing high demand from homeless households and associated temporary accommodation costs and the difficulties in forecasting homeless demand given current uncertainties. Demand from existing tenants and vulnerable groups such as Care Leavers also needs to be considered.

Additionally, the Committee is asked to comment on allocating social housing in this way i.e. setting annual projections, rather than through one Allocations Scheme and they are asked to comment on how they would like to be involved in the forthcoming review of the Scheme.

1. Policy Context

1.1 The Housing Allocations Scheme sets out who is eligible for social housing and how properties are allocated, either through Choice Based Lettings or a direct offer. The Scheme also covers the number of points each of the priority groups for social housing are awarded.

1.2 The Allocations Scheme must be read in conjunction with the annual Supply and Allocation of Social Housing Report which sets out, for the year ahead, the proportion of lets that are projected to each of the different groups in need of social housing.

1.3 The council has a legal duty to assess and register households that meet certain criteria known as 'reasonable preference' groups, however the Localism Act 2011 also gives local authorities flexibility in prioritising those groups according to local supply and demand issues. There is no requirement for one group to have priority over another, although the council must have regard to the Equality Act 2010 and ensure that allocations are fair and not disproportionate.

1.4 There are three main groups;

- Homeless households where the council has rehousing responsibilities
- Existing council tenants needing to transfer because they are overcrowded and for other reasons
- Other applicants (known as the housing register and usually people living in the private sector that need to move for health/welfare reasons)

1.5 Within each group, there are subgroups (approximately 30 in total) making up the different housing lists, see Appendix A for a full list.

1.6 The aim of this approach is to enable some lets across most of the 30 different groups, instead of having a purely priority-based approach, where only those with the highest needs are successful. It also enables flexibility and for the council to respond to different priorities on an annual basis.

1.7 In deciding the proportion of lets to all groups the following factors are taken into account:

a) the council's statutory obligations
b) the council's strategic priorities, such as;

- the City for All Strategy[1], which aims to increase supply by developing at least 1,850 new affordable homes by 2023, including through a housing renewal programme
- the homelessness strategy[2], which aims ‘to ensure a range of accommodation is available for homeless households’ and the Temporary Accommodation Reduction Strategy which aims to reduce numbers and costs
- the Corporate Parenting Board Action Plan and responsibilities

c) the varying and competing demands for social housing. Increasing the proportion of lets to one group inevitably impacts on others.

1.8 The council will start a review of its Allocations Scheme and lettings approach in 2022. This will take time and there will be a statutory consultation. While the current approach is flexible, it is acknowledged to be confusing for customers. Other options will be considered as part of the review, such as one simpler Allocations Scheme.

2. Background

2.1 The approach to allocating social homes involves identifying the number of homes expected to become available during the next year. The process includes:

a) Forecasting supply using information relating to future developments and;

b) Estimating the number of voids created through natural turnover based on moves made during previous years

2.2 The number of expected properties is then distributed across the priority groups, taking account of current demand from each group as well as strategic priorities.

2.3 As set out in the last Supply & Allocations Report, for 2021/22 the number of properties projected to become available was 698 and to date the council has achieved 67% (465) of the expected allocations, broken down as follows;

Table 1 – 2021/22 lettings to date

Priority Group	Studio	1-Bed	2-Bed	3-Bed	4+ Bed	Total	%
Homeless	16	68	75	18	3	180	39%
Tenant Transfer	3	77	39	22	4	145	31%
Housing Register	40	88	10	2		140	30%
Grand Total	**59**	**233**	**124**	**42**	**7**	**465**	

[1] www.westminster.gov.uk/city-for-all
[2] www.westminster.gov.uk/housing-strategies#homelessness-strategy

2.4 Social housing allocations to date for 2021/22 show high levels of homeless rehousing's reflecting the demand from this group; allocations to other groups reflect demand for housing from other priority groups and work with other Council services, in particular Children's and Adults.

2.5 Providing new schemes are handed over on time, the lettings forecast for 2021/22 will be within the predicted range. See Appendix B for a detailed breakdown of the lettings by priority group and bedsize.

3. Projecting Lettings for 2022/23

3.1 Council officers are due to start work on the Supply and Allocations Report for 2022/23 shortly and a number of factors will influence the projections that will be recommended in this report.

3.2 Demand

3.2.1 Current demand shows that there are 3,905 priority households registered for general needs social housing (see also Appendix A for detail by group and bedsize), of these;

- 60% (2,358) are accepted homeless households
- 17% (682) are overcrowded families
- 8% (314) have priority on medical grounds
- 2% (90) are under-occupiers, council tenants needing a smaller property who will release much needed larger family homes for those in need

3.2.2 The highest demand (39%) is from households requiring a 2-bedroom property followed by 33% requiring a 3-bedroom property;

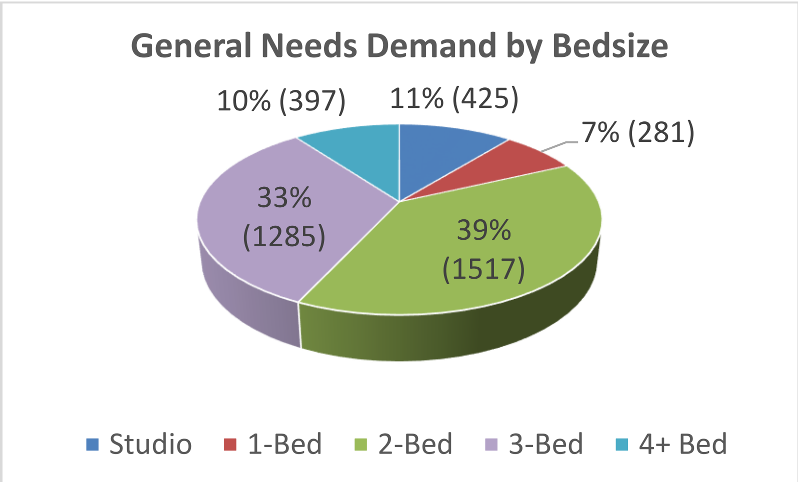

Table 2 - Demand for general needs accommodation

General Needs Demand	Studio	1-Bed	2-Bed	3-Bed	4+ Bed	Total	%
Homeless	164	29	1062	844	259	2358	60%
Housing Register	209	41	47	44	25	366	9%
Tenant Transfers	52	211	408	397	113	1181	31%
Total	**425**	**281**	**1517**	**1285**	**397**	**3905**	

Table 3 – Demand for Community Supportive Housing (CSH) for older people

CSH Demand	Studio	1-Bed	Total	%
Homeless	1		1	
Housing Register	89	21	110	63%
Tenant Transfer	18	45	63	37%
Grand Total	**108**	**66**	**174**	

3.3 Demand for housing from homeless households in 2022/23

3.3.1 The principal factor that is driving the levels of homelessness continues to be the availability of private sector housing for households on low incomes. Homeless acceptances are forecast to be 406 in 2021/22 with the three main causes continuing to be loss of private rented sector homes, family/household breakup and domestic abuse.

3.3.2 HSS continue to deliver personal housing plans for all households who approach the service in housing need. These focus on homeless prevention, challenging evictions and supporting households to move into the private rented sector as an alternative to making a homeless application and waiting for long periods of time in Temporary Accommodation (TA).

3.3.3 Total homeless acceptances during 2022/23 are difficult to predict and based on data over the past two years will be 430. However this forecast could change given the uncertain economic situation, impact of the pandemic and rising evictions in the private rented sector due to a backlog following the suspension.

3.3.4 In line with the Homelessness Strategy a Temporary Accommodation Reduction Strategy is being implemented which aims to reduce numbers and costs.

3.4 Demand from Care Leavers

3.4.1 The 2021/22 Supply and Allocations Report recommended an increase in lets for Care Leavers to 55 (from an average of 20 over the previous four years), given increasing demand which is driven by rising numbers of unaccompanied asylum-seeking children (UASC) the council has duties towards. As table 4 shows the spike in demand is projected to level off but future numbers of UASC are difficult to predict.

Table 4 – Future demand from Care Leavers

Future demand (Based on Looked After Children turning 18) *	
2021-22	72
2022-23	47
2023-24	26
2024-25	11
2025-26	15

3.4.2 There is no statutory requirement to offer all Care Leavers social housing, although some boroughs aim for this, and the council has a duty to provide housing/financial assistance to Care Leavers aged 18–25.

3.4.3 Demand from Care Leavers for studios cannot be viewed in isolation, as shown in Appendix A there is also demand from other single applicants needing studios such as those in various Hostel accommodation.

4. Supply 2021/22

4.1 Social Housing

4.1.1 During 2021/2022 to end quarter 3, a total of 54 new social housing units have completed in Westminster and been made available for letting. Significant social housing completions include 39 new homes at Bond Mansions (Block B), West End Gate, plus 6 new homes delivered on Council infill sites.

4.1.2 A further 92 new social homes are anticipated to be delivered in Quarter 4 2021/2022, including the next phase of West End Gate at Lawrence House (Block D) which will provide 40 social units and the Westminster scheme at Parsons North providing a further 10 new social homes. In addition, a number of spot purchases secured by Westminster and a new development at Palace Court are expected to be delivered by Optivo Housing.

4.1.3 Supply also comes from natural turnover, which on average is around 470 properties per year.

4.2 Intermediate Housing

4.2.1 Alongside new social housing supply the council (and Partners) develops new intermediate housing and operates its own intermediate housing service ‘Home Ownership Westminster’ (HOW) that enables eligible households to register for intermediate housing opportunities in the City. There are currently over 2,000 households registered with the service.

4.2.2 HOW has thus far in 2021/22 nominated successfully 122 eligible households into intermediate housing opportunities in Westminster, that includes both new schemes plus relets/resales to existing schemes.

4.2.3 During 2021/2022 to end quarter 3, a total of 59 intermediate homes for rent have completed in Westminster and been made available for letting. Significant schemes include those at Farm Street a Council developed scheme providing 14 homes that are currently being let plus a further 29 homes for rent at Bond Mansions, West End Gate which will shortly be advertised for letting.

4.2.4 In addition, Octavia Housing have completed and let 15 homes at their new scheme at Clipstone Mews on Cleveland Street. A further 48 intermediate homes for rent are anticipated to be delivered by 31 March 2022, that includes 9 homes at Parsons North, 15 homes delivered at the former council Jubilee Sports Centre site and 21 intermediate homes being delivered by Dolphin Living and Soho Housing at Ergon House in Millbank and Greek Street in Soho.

4.2.5 Table 5 below summarises the supply of new social and intermediate homes projected to be delivered in 2021/2022 by bed size;

Table 5 – New supply 2021/22

Bedsize	Social Housing	Intermediate Housing
Studio	0	4
1-bed	26	42
2-bed	57	60
3-bed	45	1
4-bed	18	0
Total	**146**	**107**

5. New Supply 2022/23

5.1 Social Housing

5.1.1 Currently, 363 new social homes are anticipated to be delivered during 2022/23 that includes a new modern sheltered housing block (Grace House) of 153 homes being delivered by Central and Cecil on the site of the former Dora House that was demolished a few years ago.

5.1.2 The 363 new social homes also include new council developments at Lisson Arches (59 homes), Luton Street (40 homes) and Ashbridge Street (16 homes) and are anticipated to complete during this period together with a number of smaller council infill developments, plus the remaining phase of West End Gate.

5.2 Intermediate Housing

5.2.1 An additional 128 new intermediate homes are anticipated to be completed over the same period, including 47 new homes being delivered by Westminster Community Homes at their Victoria Wharf and MOT Yard developments, plus a number of Council led developments at Luton Street and other infill developments.

5.2.2 Table 6 below summarises the supply of new social and intermediate homes projected to be delivered in 2022/2023 by bed size;

Table 6 – New supply 2022/23

Bedsize	Social Housing	Intermediate Housing
Studio	3	0
1-bed	230	98
2-bed	56	21
3-bed	57	9
4-bed	17	0
Total	**363**	**128**

6. Disposals and Acquisitions

6.1 As part of Westminster's adopted asset strategy certain council voids, primarily studio and 1-beds that do not perform well against a set of robust performance criteria that includes financial, property quality and tenant satisfaction indicators can be disposed, and the proceeds of these disposals are ringfenced to secure replacement social housing that better addresses the council's housing need. These replacement homes are overwhelmingly 2-bed or larger sized homes.

6.2 Including properties currently with legal and awaiting sale, since 2013 the Council has disposed of 202 voids (424 bedspaces) of which 191 are studios or 1-beds generating capital receipts of just over £99m.

6.3 Over the same period, 145 replacement properties for use as social housing, mainly ex Right to Buy properties, have been secured of which all but three properties are 2-beds or larger (697 bedspaces). Total delivery costs for these replacement homes is £75m.

6.4 By the end of 2021/22 it is anticipated that 30 disposals will have completed with 14 replacement properties acquired.

6.5 It is currently projected that during 2022/23 there will be a further 20 disposals with at least 12 replacement properties secured over the same period.

7. Summary of Factors Impacting Lettings for 2022/23

7.1 The key factors influencing the allocation of social homes for 2022/23 include;

- The housing renewal programme: 79 moves are needed during 2022/23 to enable renewal to proceed. While this will impact on lets to other groups, in the long-term housing renewal increases affordable supply (see Appendix C for a breakdown of the units required by bedsize).

- Ongoing high demand from homeless households, which make up 60% of demand for social housing and associated Temporary Accommodation costs.
- Ongoing high demand from Care Leavers. In 2021/22 the Council prioritised studio properties to this group.

8. Key Matters for the Committee's Consideration

8.1 The report describes how the available affordable housing is allocated to different priority groups.

8.2 The Committee is asked to comment on how the available social housing should be allocated in 2022/23 between different priority groups. Please note that increasing lets to one group means they are reduced for another.

8.3 Does the Committee think it is beneficial to project lettings annually in this way?

8.4 How would the Committee like to be involved in the review of the Allocation Scheme?

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

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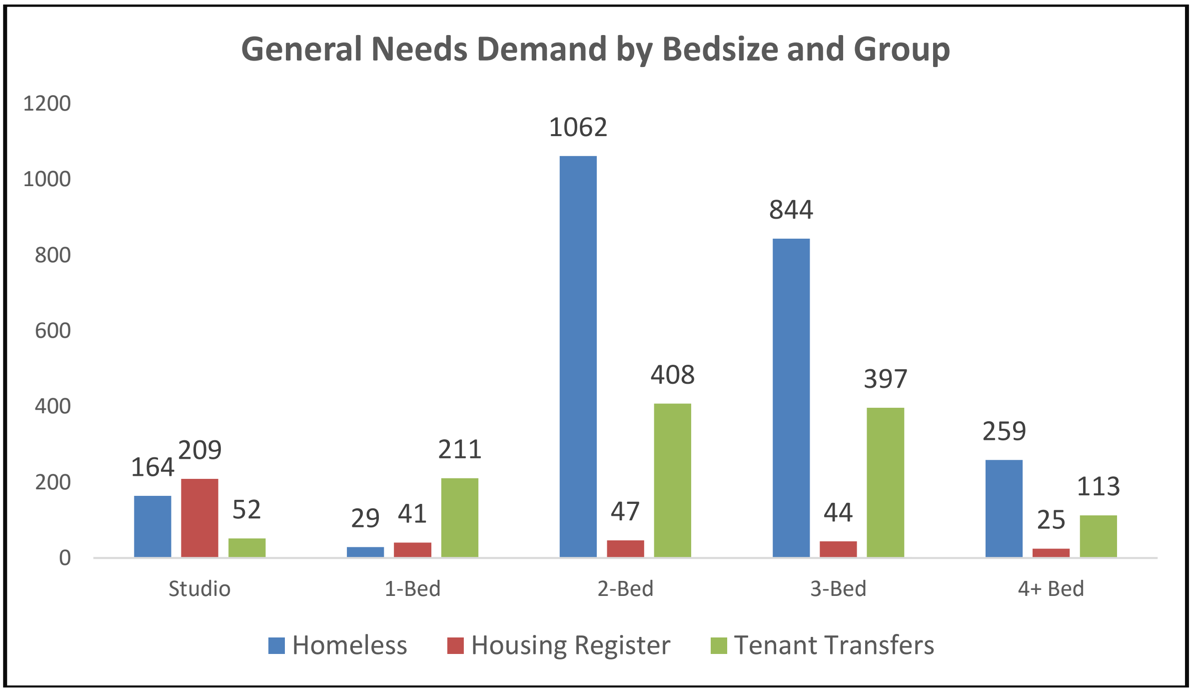
APPENDICES:

A) Current Social Housing Demand (as at 03.01.22)
B) 2021/22 Lettings (April-December)
C) Units required by Regen for 2022/2023

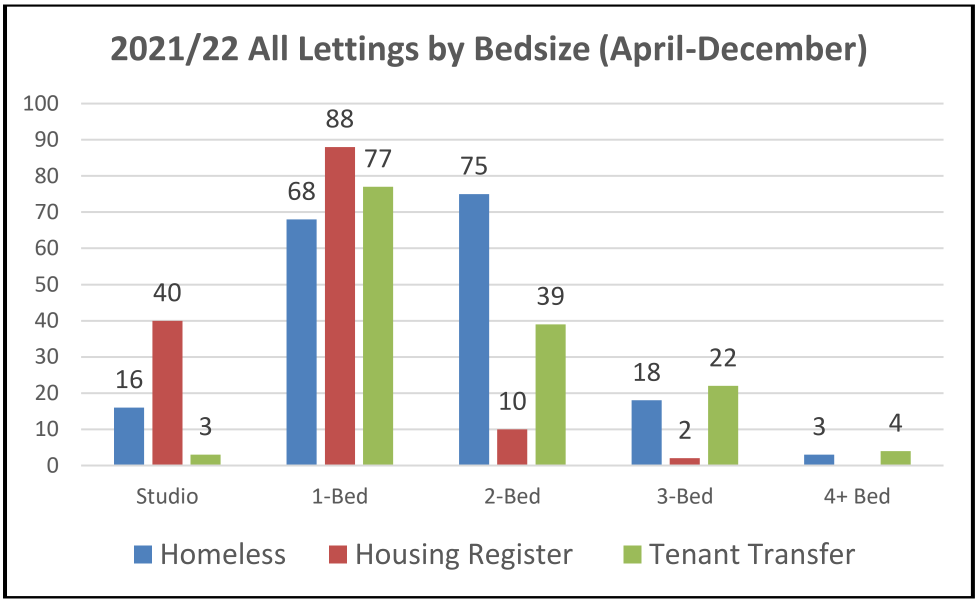
Appendix A – Current Social Housing Demand (as at 03.01.22)

Demand for General Needs	Studio	1-Bed	2-Bed	3-Bed	4+ Bed	Total
Homeless	**164**	**29**	**1062**	**844**	**259**	**2358**
HR - Category A Medical	24	16	43	35	17	135
HR - Children's Act - WALC	109		1			110
HR - CIS Assist Priority Rehsg	2	5				7
HR - Community Care Nomination			1			1
HR - Learning Disability		2				2
HR - MH Hostel Move On	5					5
HR - Pathways	56					56
HR - Regen Decant Split Hshld	2	2				4
HR - Registered Provider O/C			1	2	4	7
HR - Staff Rehousing		1				1
HR - Statutorily Overcrowded			1	7	4	12
HR - Street Hmls Hostel MoveOn	7					7
HR - Succession / Assignment	4	15				19
Total Housing Register	**209**	**41**	**47**	**44**	**25**	**366**
Tenant - Cash Incentive	7	34	41	8		90
Tenant - Category A Medical	4	37	46	63	26	176
Tenant - Children's Act CAAP			2			2
Tenant - CIS Money to Move	1	1				2
Tenant - Decant/Essential Reps	29	10	14	10	4	67
Tenant - General List			286	289	76	651
Tenant - Management Transfer	5	4	1	3		13
Tenant - Regen Decant	1	16	14	11	4	46
Tenant - Returning Decant			1	1		2
Tenant - Studio to One-Beds	5	109				114
Transfer - PCHA Cat A Medical			1	2		3
Transfer - PCHA CIS			2	1		3
Transfer - PCHA General List				9	3	12
Total Tenant Transfers	**52**	**211**	**408**	**397**	**113**	**1181**
Grand Total	**425**	**281**	**1517**	**1285**	**397**	**3905**

Demand for CSH	Studio	1-Bed	Total
Homeless	**1**		**1**
HR - Community Supportive Hsg	79	21	100
HR - CSH Pathways	1		1
HR - Hostel Move-On CSH	9		9
Total Housing Register	**89**	**21**	**110**
Tenant - CSH	18	44	62
Tenant - CSH CIS		1	1
Total Tenant Transfer	**18**	**45**	**63**
Grand Total	**108**	**66**	**174**


General Needs Demand by Bedsize and Group
1200
1000
800
600
400
200
0
164
209
52
29
41
211
1062
47
408
844
44
397
259
25
113
Studio
1-Bed
2-Bed
3-Bed
4+ Bed
Homeless
Housing Register
Tenant Transfers

Appendix B – 2021/22 Lettings (April-December)



2021/22 General Needs Lettings April-December						
Priority Group	**Studio**	**1-Bed**	**2-Bed**	**3-Bed**	**4+ Bed**	**Total**
Homeless Waiting List	**16**	**65**	**75**	**18**	**3**	**177**
HR - Category A Medical	8	3	4	1		16
HR - Children's Act - CAAP			1			1
HR - Children's Act - WALC	9	18				27
HR - CIS Assist Priority Rehsg		3				3
HR - Learning Disability		1				1
HR - Pathways	1	8				9
HR - Reciprocals			1			1
HR - Regen Decant Split Hshld	1	1	1			3
HR - Registered Provider O/C				1		1
HR - Street Hmls Hostel MoveOn		1				1
HR - Succession / Assignment		8	3			11
Total HR	**19**	**43**	**10**	**2**		**74**
Tenant - Cash Incentive		7	6	3		16
Tenant - Category A Medical		4	7	5		16
Tenant - Children's Act CAAP				1		1
Tenant - Decant/Essential Reps		2	1	1		4
Tenant - General List		1	18	8	1	28
Tenant - Management Transfer		7	2	2	1	12
Tenant - Regen Decant		15	5	2	2	24
Tenant - Studio to One-Beds		23				23
Total Tenant Transfers		**59**	**39**	**22**	**4**	**124**
Grand Total	**35**	**167**	**124**	**42**	**7**	**375**

2021/22 CSH Lettings April-December			
Priority Group	**Studio**	**1-Bed**	**Total**
Homeless Waiting List		3	3
HR - Community Supportive Hsg	20	41	61
HR - CSH Incoming Nomination		1	1
HR - Hostel Move-On CSH	1	3	4
Total Housing Register	**21**	**45**	**66**
Tenant - CSH	3	14	17
Tenant - CSH CIS		3	3
Tenant - CSH Decant		1	1
Total Tenant Transfer	**3**	**18**	**21**
Grand Total	**24**	**66**	**90**

Appendix C - Units required by Regen for 2022/23

Projections 2022/23	Community Supportive Housing			General Needs						
	Studio	1-Bed	Total	Studio	1-Bed	2-Bed	3-Bed	4+ Bed	Total	Grand Total
Housing Renewal	0	33	33	0	7	19	10	5	41	74
Returners	0	0		0	0	2	1	0	3	3
Housing Renewal Split Households	0	0		1	1	0	0	0	2	2
Total	0	33	33	1	8	21	11	5	46	79