

## ***DRAFT Report to the Cabinet***



**Epping Forest  
District Council**

### ***Report reference:***

***Date of meeting: To be agreed***

**Portfolio: Housing and Property (Cllr Holly Whitbread)**

**Subject: EFDC Housing Allocation Scheme – 1 year review**

### **Responsible Officer:**

**Surjit Balu**

Interim Director for Housing  
& Property

### **Democratic Services:**

Vivienne Messenger:

email: [DemocraticServices@eppingforestdc.gov.uk](mailto:DemocraticServices@eppingforestdc.gov.uk)

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### **Recommendations/Decisions Required:**

Recommendation 1 – No change to medical banding

Recommendation 2 – No change to homeless households

Recommendation 3 – No change to lacking one bedroom or sharing accommodation

Recommendation 4 – No change to bedroom sizes

Recommendation 5 – An end date of 25<sup>th</sup> September 2025 be introduced for applicants with preserved rights to move from a flat to a house under the previous allocations scheme

### **Report:**

#### Introduction

The purpose of this report is to review the main changes that were made to our Housing Allocations Scheme, which was approved by Cabinet in March 2022 and implemented on 26<sup>th</sup> September 2022. A full copy of the Housing Allocations Scheme is contained in Appendix 1b.

As a Local Housing Authority, Epping Forest District Council has a statutory duty to publish a Housing Allocations Scheme. This Scheme is used to determine priorities when selecting a household to be offered the tenancy of Council owned accommodation, or to be nominated for an offer of housing from another registered provider.

The Scheme dictates how we operate our choice-based lettings system, often referred to as 'the housing register'. Qualifying applicants are placed in one of three bands (A, B or C) depending on their assessed need. The applicants' bands and registration dates are used to prioritise expressions of interest, or 'bids' for vacant properties that are advertised on a weekly basis. The purpose of a choice-based lettings system is to enable applicants to exercise some degree of choice as to where they live (albeit limited by supply and demand).

The demand for affordable rented housing in Epping Forest continues to outweigh the supply of suitable accommodation. Therefore, it is important that only those with a demonstrated housing need can access our Council housing stock, and that those applications are prioritised correctly.

Significant changes made to the Scheme

The table below summarises the main changes that were made to the Housing Allocations Scheme in 2022.

<b>Banding</b>	<b>Original Criteria</b>	<b>Revised Criteria</b>
Medical Banding	Only 2 medical bands - Band A 'urgent medical need' and Band C 'moderate medical need'.	3 medical bands - Band A 'emergency medical need', Band B 'urgent medical need' and Band C 'moderate medical need'.
Homeless Households	Statutory homeless households only received direct offers of housing.	Statutory homeless households can bid via choice-based lettings, in Band B.
Applicants lacking 1 bedroom	Band B priority awarded.	Band C priority awarded.
Applicants sharing accommodation with another household	Initially placed in Band C and moved to Band B after 2 years.	Remain in Band C, regardless of length of time.
Bedroom sizes	Applicants able to bid on properties one bedroom size smaller than their bedroom requirement.	Applicants only able to bid on properties that are the correct size for their family.
Flats to houses	Applicants living in EFDC flats able to join the register and bid on houses, with the same number of bedrooms.	This option removed, but those already on the list could continue to bid on houses.

There were several other, smaller changes made to the Housing Allocations Scheme in 2022, however many of these are not detailed in this report as they have not had any major impact on our applicants, or generated any significant interest from applicants or members.

Impact of changes**1. Medical banding**

As part of the implementation of the new Housing Allocations Scheme, we contacted all applicants who were recognised as having a medical need and asked them to complete a new medical assessment form, to give us an update on their condition. All medical forms were then sent to an independent medical advisor for re-assessment under the three new bands.

This exercise also helped us to identify a number of applicants on the housing register who had not logged on or placed a bid in a long time, in some cases years. These applications were cancelled when we received no response after multiple attempts to contact them to request a new medical assessment.

## DRAFT REPORT

On 23<sup>rd</sup> September 2022, before the implementation of our new Housing Allocations Scheme, the number of applicants placed in medical bands were as follows:

Priority band	Number of applicants
Band A – Urgent medical need	21 applicants
Band C – Moderate medical need	127 applicants

As of 1<sup>st</sup> August 2023, under the new Housing Allocations Scheme, the number of applicants placed in medical bands were as follows:

Priority band	Number of applicants
Band A – Emergency medical need	1 applicant
Band B – Urgent medical need	39 applicants
Band C – Moderate medical need	46 applicants

The reduction in the number of applicants attracting a medical priority can largely be attributed to the re-assessment exercise and the number of applications that were removed due to inactivity/failure to respond.

In the year prior to the new Housing Allocations Scheme being implemented, properties let to applicants with a recognised medical need were as follows:

Priority band	Number of lets
Band A – Urgent medical need	12
Band C – Moderate medical need	16

This represents 15% of all applicants on the register with a medical priority being housed during this period.

In the last 11 months since the new Housing Allocations Scheme has been implemented, properties let to applicants with a recognised medical need were as follows:

Priority band	Number of lets
Band A – Emergency medical need	4
Band B – Urgent medical need	5
Band C – Moderate medical need	5

This represents 14% of all applicants on the register with a medical priority being housed during this period, i.e. consistent with the previous year.

Since the implementation of the new Housing Allocations Scheme, we have received a total of 33 appeals relating to medical assessments. In 8% of these cases, we made the decision to award a higher medical priority following the appeal. This is fairly consistent with the year prior to the implementation of the new Housing Allocations Scheme, where we received 27 appeals relating to medical assessments, 11% of which were awarded a higher medical priority following their appeal. We would therefore conclude that the introduction of three medical bands has not caused a significant increase in customer appeals/complaints.

### Recommendations

Having three medical bands better reflects the varied nature of the conditions that our applicants present to us with, and allows us to prioritise their applications accordingly. Having three bands allows us to take a more nuanced approach to applications that might otherwise have been placed in Band C (moderate medical), because they didn't quite meet the threshold

## DRAFT REPORT

for Band A. Therefore, this change has had a positive impact and we would recommend that the three medical bands remain.

Recommendation 1 – No change to medical banding

### 2. Homeless households

Where the Council has accepted a duty to provide settled accommodation to a homeless household under Part 7 of the Housing Act 1996, we are required to give reasonable preference to their application for housing.

Under the previous Housing Allocations Scheme (2018-2022), homeless households living in temporary accommodation were not allowed to bid via the choice-based lettings system and were instead made 'direct offers' of accommodation, in order to discharge our duty.

It was felt that this 'two tier' system could be seen as unfair or discriminatory, therefore in the new Housing Allocations Scheme, homeless households are able to bid via the choice-based lettings system, in Band B. However, we do also reserve the right to place bids on any applicant's behalf if they are not bidding regularly, or if they are not successful on any bids within a reasonable timescale. This is known as placing 'auto bids' and is usually considered for homeless households after 6-8 bidding cycles.

In the year prior to the new Housing Allocations Scheme being implemented, we let 61 properties to homeless households via direct offer. Their bedroom needs were as follows:

<b>Bedroom size required</b>	<b>Number of lets</b>	<b>Average waiting time</b>
1 bed	30	10 months
2 bed	20	14 months
3 bed	8	2 years, 10 months
4 bed or larger	3	22 months

This represents 16.5% of all lets during this period.

In the last 11 months since the new Housing Allocations Scheme has been implemented, we let 92 properties to homeless households via the choice-based lettings system. Their bedroom needs were as follows:

<b>Bedroom size required</b>	<b>Number of lets</b>	<b>Average waiting time</b>
1 bed	32	6 months
2 bed	47	9 months
3 bed	13	18 months
4 bed or larger	0	N/A

This represents 34% of all lets during this period, a significant increase on the year prior.

More broadly, compared to the previous financial year, we have seen an increase in households approaching the EFDC homelessness service. Our homelessness service has been successful in preventing a number of approaches however, we have experienced an increase of placements in bed and breakfast accommodation of approximately 9%. This can be attributed to factors such as the cost of living crisis, the postponement of evictions during the Covid-19 pandemic being removed, changes in legislation resulting in some private sector landlords exiting the market, and follow-on effects from conflict in other countries increasing demand here in the UK. This is in keeping with national trends around homelessness. Effective management of temporary accommodation budget and spend is very important. We did

## DRAFT REPORT

forecast and plan for a potential increase of up to 24% in demand for temporary accommodation compared to last year. So far, as indicated above, the increase has been 9% and we continue to monitor the situation closely.

To date, we have not received any complaints from applicants regarding the change from a direct offer system to a choice-based lettings system for homeless households living in temporary accommodation.

### **Recommendations**

This is a challenging issue and one that we want to get right. Whilst we recognise that giving homeless households a high priority may result in a longer wait for applicants in other categories, we must acknowledge that our housing register is intended to be a 'housing needs' based system and not just a waiting list for anyone who wishes to join.

Homeless households living in temporary accommodation are often placed outside of the District and away from their support networks, for example in bed and breakfast accommodation in neighbouring areas. Many of these applicants are living and sleeping in 1 room with their families, and sharing cooking and/or bathroom facilities with other households.

Given this context, it is clear that a family living in temporary accommodation should be awarded a higher priority than someone who is in their own property, within the District, with their own cooking and bathroom facilities, but lacking a bedroom.

We will of course continue to monitor the local and national picture with regards to homelessness, however we believe that the current system is working and we would therefore recommend that this aspect of the Scheme remains the same.

Recommendation 2 – No change to homeless households

### **3. Applicants lacking 1 bedroom, or sharing accommodation**

In our previous Housing Allocations Scheme (2018-2022), applicants needing one additional bedroom compared to their current accommodation were placed in Band B.

During consultation, it was felt that this potentially awarded too high a priority to those lacking one bedroom. This living situation, whilst not ideal, was not deemed as urgent as some of the other scenarios that were awarded a Band B priority (for example applicants occupying housing which poses a serious health hazard, applicants needing to move urgently due to a disability etc.). Therefore, in the new Housing Allocations Scheme, applicants needing one additional bedroom compared to their current accommodation are placed in Band C.

Similarly, under the previous Housing Allocations Scheme (2018-2022), applicants sharing accommodation with another household were initially placed in Band C, however once they had been sharing for over two years, their banding increased to Band B.

During consultation it was felt that applicants sharing accommodation with another household, for example adult children living with their parents, is unfortunately a common reality of the modern world and that Band C 'moderate housing need' seemed to adequately reflect this scenario. Therefore in the new Housing Allocations Scheme, applicants sharing accommodation with another household remain in Band C, regardless of the length of time they have been sharing.

When the new Housing Allocations Scheme was implemented, 318 applicants who were lacking 1 bedroom and 36 applicants who had been sharing accommodation for over 2 years

## DRAFT REPORT

were moved from Band B to Band C. All applicants affected were advised of this change in writing, with at least 4 weeks' notice.

In the year prior to the new Housing Allocations Scheme being implemented, we let 67 properties to applicants lacking 1 bedroom. Their bedroom needs were as follows:

<b>Bedroom size required</b>	<b>Number of lets</b>
1 bed	0
2 bed	53
3 bed	11
4 bed	3

This represents 18% of all lets during this period.

During this period we also let a further 19 properties to applicants who had been sharing accommodation with another household for over 2 years. Their bedroom needs were as follows:

<b>Bedroom size required</b>	<b>Number of lets</b>
1 bed	0
2 bed	16
3 bed	3
4 bed	0

This represents a further 5% of all lets during this period.

In the last 11 months since the new Housing Allocations Scheme has been implemented, we have only let 8 properties to applicants lacking 1 bedroom. Their bedroom needs were as follows:

<b>Bedroom size required</b>	<b>Number of lets</b>
1 bed	0
2 bed	4
3 bed	4
4 bed	0

This represents just 3% of all lets during this period, a significant decrease compared to the year prior. For these applicants, the average waiting time was just over 4 years.

We also let a further 44 properties to applicants who had been sharing accommodation with another household, albeit this is no longer broken down into those sharing for longer than 2 years. Their bedroom needs were as follows:

<b>Bedroom size required</b>	<b>Number of lets</b>
1 bed	43
2 bed	1
3 bed	0
4 bed	0

For these applicants, the average waiting time was 3 years and 4 months.

We currently have 555 applicants currently on the register who are in Band C and sharing accommodation with another household. Of these applicants, 78% are single people awaiting a 1 bedroom property.

## DRAFT REPORT

We also currently have 299 applicants on the housing register who are in Band C and lacking 1 bedroom.

The statutory definition of overcrowding is outlined in the Housing Act 1985. However, it should be noted that the definition of **severe** overcrowding is 'lacking 2 or more bedrooms'. This is recognised in the current Housing Allocations Scheme, as those who are lacking 2 or more bedrooms are placed in Band B.

It is also worth noting that overcrowding is not just a local issue, with the English Housing Survey published by the Department for Levelling Up, Housing and Communities in December 2022 finding that across the UK, there were approximately 732,000 households living in overcrowded conditions.

Since the implementation of the new Housing Allocations Scheme, we have received several member enquiries (albeit relating to 7 individual constituents) regarding either applicants lacking 1 bedroom, or applicants sharing accommodation with another household, being moved down to Band C. This has by far been the change in the new Scheme that has generated the most interest from our applicants and members. In all 7 of these cases, we were only able to reiterate that the Scheme had been applied correctly and that these applicants only qualified for Band C.

### **Recommendations**

We recognise that the number of lets to applicants lacking 1 bedroom have decreased in the last 11 months. We note the impact of this change to the Scheme, however we would still recommend that Band C is the correct level of priority for applicants lacking 1 bedroom, when compared to the other categories of applicants that attract a higher banding, for example households who are homeless or living in accommodation that poses a serious health hazard. We would also recommend that we continue to recognise cases of severe overcrowding with a Band B priority.

We also recognise that approximately 42% of all applicants currently on our housing register are sharing accommodation with another household, the most common reason by far for joining our housing register. It is however worth noting that a very high proportion of these applicants are younger, single people living at home with family and looking to move to their first home. We therefore recommend that Band C is the appropriate level of priority and that other options should be explored by these applicants, such as privately rented and shared accommodation.

Recommendation 3 – No change to lacking one bedroom or sharing accommodation

### **4. Bedroom sizes**

Under the previous Housing Allocations Scheme (2018-2022), applicants were able to bid on properties one bedroom size smaller than their bedroom requirement, for example a single parent with 1 child requiring a 2 bedroom home could be housed in a 1 bedroom property.

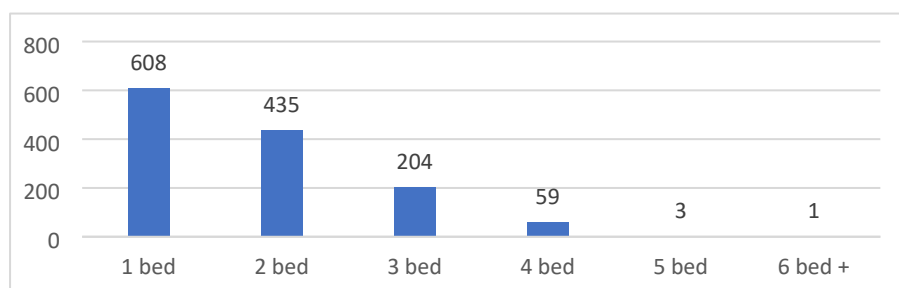
It was felt that this system created more issues than it solved, as applicants would accept a property too small for them and then immediately re-join the housing register for a larger property.

Therefore in the new Housing Allocations Scheme, applicants are only able to bid on properties that are the correct size for their family. The Scheme does however allow us to make exceptions for families requiring a 4 bedroom property or larger (within the permitted

## DRAFT REPORT

number of occupants allowed under the Housing Act 1985) given that larger sized homes are in the shortest supply.

We currently have a total of 1,310 applicants on our housing register; their bedroom needs are as follows:



In the year prior to the new Housing Allocations Scheme being implemented, we let 370 properties as follows:

Property size	Number of properties let
Bedsit/studio or 1 bedroom	198
2 bedroom	119
3 bedroom	46
4 bedroom	7

Of these 370 properties, only 5% were let to households who required 1 bedroom larger than the property offered. The great majority of these were 1 bedroom properties being let to families that required 2 bedroom properties. These figures suggest that in reality, only a small number of families previously took us up on the ability to bid on properties smaller than their requirements.

We feel that removing the ability to bid on properties smaller than the household requirement is a positive change. This helps us to avoid contrived situations – for example a household joining the register as 'lacking 1 bedroom' but then choosing to accept a property that is 1 bedroom smaller than their needs, calling into question their reason for joining the housing register in the first place.

To date we have only received one complaint from an applicant on the subject of not being able to bid on properties 1 bedroom smaller than their needs. Whilst we empathised with the applicant's circumstances, we concluded that the Scheme had been applied correctly and that it would be best for the applicant in the long term to await an allocation of a 3 bedroom property, rather than allow them to bid on a 2 bedroom property which would not suit the needs of a family of their size.

### Recommendations

Whilst we anticipate that this change may have slightly increased the waiting time for 2 bedroom accommodation, we also feel that a positive change to come from this is that single applicants will stand a better chance of being successful on a bid for a 1 bedroom property, as they are no longer having to compete with applicants who have a 2 bedroom need. We know that almost half of all applicants on our housing register are currently waiting for a 1 bedroom property, so this seems the fairest way to allocate properties moving forwards. We would therefore recommend that the current policy on bedroom sizes remains the same.

Recommendation 4 – No change to bedroom sizes



## 5. Flat to house

Under the previous Housing Allocations Scheme (2018-2022), applicants who were otherwise adequately housed but who were living in flatted accommodation within our own stock and wanted to move to a house, were able to join the housing register to bid on houses only. For clarity, this option was only available to existing Council tenants, and not households in the private sector.

We felt that this band, often referred to as 'flat to house', did not reflect our 'housing needs' based approach to the housing register. This was potentially an unfair system particularly for non-existing Council tenants due to them being considered as adequately housed and, were therefore not able to join the register. Therefore in the new Housing Allocations Scheme, applicants who are adequately housed in a flat are not able to join the housing register purely on the basis that they wish to move to a house.

We did however make the decision to allow any existing applicants within this band to remain on the register, in recognition of the fact that many of them had been waiting for a long time and that removing their applications would cause significant upset.

As of 26<sup>th</sup> September 2022, there were 147 applicants within this band on the housing register. Over the last 11 months, 45 of these applicants have been housed. Their bedroom needs were as follows:

Bedroom size	Number of lets
1 bed	0
2 bed	17
3 bed	27
4 bed	1

To date, we have not received any customer complaints relating to the removal of the 'flat to house' priority category.

### Recommendations

We feel that the removal of this section of the Scheme is a positive change, which better reflects our policy of allocating our Council housing stock to those with the greatest housing need. As mentioned earlier, the demand for social housing far outweighs the supply in our area, so it seems unreasonable to allocate houses to those who were already housed in an appropriate property, albeit a flat.

We would therefore recommend that we continue to not offer any priority to those wanting to move from a flat to a house, with no other recognised housing need.

We would also recommend that any households who have remained in this 'legacy' band following the implementation of the new Scheme in September 2022 are given a deadline as to how long they can remain on the register. This will allow us to equalise the housing register and ensure that consistent banding is applied throughout. This will also provide an incentive for any remaining applicants within this band to bid on properties, given that 19% of the applicants currently in this band have not placed a bid in the last year, and a further 8% have never placed a bid.

## DRAFT REPORT

We would recommend a deadline of September 2025 for cancellation of any applications still remaining in this band, giving a further 2 years for them to bid in Band B. Our lettings data for the last year suggests that these applicants would have a good chance of placing a successful bid during this 2 year period.

Recommendation 5 – An end date of 25<sup>th</sup> September 2025 be introduced for applicants with preserved rights to move from a flat to a house under the previous Allocations Scheme.

**Resource implications: None**

**Legal and Governance Implications: None**

**Safer, Cleaner, Greener Implications: None**

**Background Papers: Housing Allocations Scheme 2022-2027 (Appendix)**

**Impact Assessments:**

**Risk Management: N/A**

**Equality:** An Equality Impact Assessment for the Housing Allocations Scheme is being maintained and updated as necessary.