



## Chelmsford City Council Cabinet

12<sup>th</sup> September 2023

### Proposed Amendment to Housing Allocations Policy

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Report by: Cabinet Member for Fairer Chelmsford

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#### Purpose

To seek approval for an amendment to the Council's policy for the allocation of homes from the Housing Register for those wanting to downsize to a smaller home.

#### Options

- 1) Amend the existing policy to allow applicants in three- and four-bedroom homes to be considered for general needs homes with two as well as one-bedroom homes
- 2) Amend the existing policy to allow applicants to apply for any home smaller than their existing home
- 3) Await the decision of the Gateway to Homechoice Board to see if the Council can join this consortium which would then create this change in policy

#### Preferred option and reasons

Option 1) is the preferred option as it would be the quickest to implement and would retain the largest affordable homes for those families to whom the Council is struggling to meet our legal duties to, those that are homeless and living in temporary accommodation.

## Recommendations

Option 1) is approved and implemented as soon as possible and that this is monitored with a report to this Cabinet in 12 months reporting on its effectiveness and impact on the housing options of others.

The wording of the policy would be changed to:

The applicant is a tenant of a registered provider within Chelmsford and is giving up a two-bedroom general needs property to move to a one bedroom property, or giving up a three or four bedroom general needs property to move to a one or two bedroom property.

## 1. Background

- 1.1 The majority of the supply of affordable rented homes should always be from the re-letting or 'churn' of the existing stock. In common with many other areas we have seen this churn reduce over the last 20 years, in 2022/23 148 of the 351 homes that were let were new-build. It is not sustainable to rely on such a large proportion of new homes nor is the number of re-lets adequate to meet current and future levels of need.
- 1.2 Whether new-build or re-lets, it is not just the number of lettings but the size of the homes that is critical. The supply of homes must reflect the need in terms of size as well as tenure if the Council is to be able to meet its legal duties to those who are homeless. The table below shows the current imbalance between the supply of smaller one- and two-bedroom homes and larger 3- and 4-bedroom homes

House size	Number in temporary accommodation March 2021	Number in temporary accommodation March 2023	Lettings 2022/23
1-bed	100	137	141
2-bed	70	111	147
3-bed	51	94	61
4-bed	22	55	2
Total	243	397	351

- 1.3 As shown in the table above, despite the rising number the number of lettings for one- and two-bedroom homes still exceeds the number of households in temporary accommodation, indicating there is some capacity to meet the additional demand from applicants who want to downsize. The supply of three-

bed homes is now less than households in temporary accommodation and the supply of four-bedroom homes is far from adequate.

- 1.4 This shortfall in the supply of larger homes not only creates a backlog in the need of homeless families who have to wait for years in temporary accommodation, it also means there are very few opportunities to resolve problems of overcrowding and in the worst cases these are now reaching the highest levels of priority above those who have become homeless. The inability to resolve overcrowding means that the supply from the existing stock is reduced even more, compounding the shortfall in supply.
- 1.5 The Council's Housing Strategy seeks to increase the supply of new three- and four-bedroom homes but the preparation of sites and the construction of new homes takes time. The significant gap between the need and supply of these larger homes could be reduced by allowing those under-occupying larger affordable homes to downsize into smaller ones and amending the current policy to allow movement to homes with two as well as one bedrooms would give more choice. This could then create an additional supply of larger homes, supplementing the planned supply.
- 1.6 Research by the Smith Institute suggests that developing a chain-lettings approach, adopting a strategic approach to use allocation policies to stimulate supply from the housing stock as well as meeting immediate need, could deliver between 50% to 150% improvement in the number of households housed from the supply of new homes. Linking this to the housing need and aspirations of older tenants creates the greatest potential.

## 2. Conclusion

- 2.1 It is not possible to provide a precise indication of the improvement of supply that would result from the proposed change to policy but it is obvious that more people would be interested in downsizing to a larger property as these would include houses as well as flats, provide space for family and carers to stay, and reduce the impact of moving to a smaller home.
- 2.2 Registered Providers have been consulted in accordance with the Council's legal duties under the Housing Act, a list of those consulted and their response is provided in the Appendix to this report.
- 2.3 If agreed, all existing applicants would have their applications amended to allow for them to apply for two- as well as one-bedroom homes. We would then work with Registered Providers to promote this change to policy to all other tenants of larger homes as many will not have applied to the housing register if currently restricted to a one-bed home.
- 2.4 Monitoring will be put in place with CHP in particular as the largest Registered Provider in Chelmsford to track increase in demand for downsizing over the

next 12 months, the net increase in supply of homes as a result of anyone who does downsize and any negative impact this has on those the Council has a legal duty to prioritise especially those who are homeless and in temporary accommodation.

**List of appendices:**

Appendix 1 – Consultation with Registered Providers

**Background papers:**

Housing Allocations and the Vacancy Chain – The Smith Institute 2022

**Corporate Implications**

**Legal/Constitutional:** The Council has complied with its legal requirements for any proposed change to its allocation policy by consulting with Registered Providers. Ensuring an adequate supply of affordable homes is essential to the Council's ability to meet its other legal duties as a local housing authority.

**Financial:** There are no direct cost implications in changing the policy. Improving supply should reduce the rising need and cost of temporary accommodation especially for those needing larger affordable homes.

**Potential impact on climate change and the environment:** none

**Contribution toward achieving a net zero carbon position by 2030:** none

**Personnel:** there is adequate capacity to implement the proposed change and work with Registered Providers to promote and monitor its implementation and impact.

**Risk Management:** lack of affordable housing suitable to meet the most urgent housing need is a high corporate risk, as is the rising need for temporary accommodation and the impact this is having on applicants and staff.

**Equality and Diversity:** an improved supply and opportunity for housing will benefit those with protected characteristics such as disability and age.

**Health and Safety:** none

**Other:** none

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**Consultees:** Registered Providers with housing stock in Chelmsford

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**Relevant Policies and Strategies:** Chelmsford City Council Housing and Homelessness Strategies

## Registered Providers consulted on proposed amendment to allocations policy

Organisation	Comment
CHP	Welcome proposal, very supportive and would like to work closely with the Council to identify those under-occupying larger homes who may be interested in downsizing communicating change which may encourage more movement within the existing housing stock.
Clarion	No comment
Sanctuary	Would like Registered Providers to retain the final decision as to whether nominations made by the Council comply with their policies, concerned that change could create more work.
Swan Housing	No comment
Eastlight Housing	Already working to similar policy in other areas
Habinteg	Support proposals
Sage	No comment
Moat	No comment
Hastoe	Support proposal and do not see any problems.
Cottman	No comment
English Rural	No comment
Guinness	No comment
Home Group	Do not see a problem
London and Quadrant	No comment
Notting Hill Genesis	No comment
Origin Housing	No comment
Legal and General	Acknowledged receipt but no further comment