

Committee(s): Housing Sub-Committee	Date(s): 20 September 2012	Item no.
Subject: Draft revised Allocations Policy	Public	
Report of: Director of Community & Children's Services	For Decision	
Ward (if appropriate):		
<p style="text-align: center;"><u>Summary</u></p> <p>This report presents Members with a revised Allocations Policy, which is a draft. A presentation will be made at the September Housing Sub-Committee meeting to facilitate a discussion with Members on the key proposed changes, before a final draft goes out for statutory consultation. The final revised policy will be presented to this sub-committee in November for approval (dependent on no major changes coming out of the statutory consultation, in which case it would be January 2013).</p> <p>The Allocations Policy is a critical policy for the City of London's Housing Services as it stipulates who we will accept as tenants and what priority we will give applicants. This is currently a 'hot topic' in this time of acute social housing shortage and high levels of demand.</p> <p>It is a legal requirement for us to have an Allocations Policy. The Localism Act 2011 made significant changes to the way social housing can be allocated and so we committed ourselves to reviewing our existing policy in 2012. This review is to ensure we take advantage of the new freedoms now offered and also to consider any local factors we may want to include in our revised policy.</p> <p>Recommendations</p> <p>Members are asked to:</p> <ul style="list-style-type: none"> • Discuss and agree the proposed revised draft Allocations Policy, in order that a final draft can be published for statutory consultation. 		

Main Report

Background

1. The City of London Corporation is a registered provider of social housing and owns and manages 1901 properties for rent. It allocates these properties in accordance with its existing Allocations Policy (2006). Given the changes to the law (Localism Act 2011) in relation to the allocation of social housing, we are reviewing our policy in order to ensure we have a robust policy that reflects national changes and our local requirements.
2. The draft revised policy (attached as Appendix 1) is intended to provide a clear and concise guide to our approach to allocating our rented homes for anyone to read. Allocating homes is a complicated area and one open to legal challenges, therefore we have stipulated that the policy cannot cover for every eventuality.
3. The existing Allocations Policy was comprehensive but is increasingly out of date and does not include some areas which had the increasing risk of subjecting us to legal challenges. It also heavily favours existing tenants over those on the waiting list who are in greater housing need. The draft revised policy aims to rectify the problems identified and offer a more balanced policy between existing and aspiring tenants, at this time of acute housing need.
4. We are required to publish and provide a summary of the final policy to all potential applicants and anyone else on request. We are also required to provide a copy of the full policy to anyone on request, for a small fee. In the interests of transparency we intend to publish the final policy on our website.
5. As part of this policy review, there is a programme of consultation, some aspects of which are a legal obligation. We have consulted our tenants in the development of the draft revised policy and will continue to do so until the process is complete. In addition, we are legally required to publish our draft revised policy publicly so that those on the Housing Register waiting to be housed may comment on

the proposed changes. We must also submit our draft revised policy to the Mayor of London as part of this public consultation period.

6. Members are invited to discuss and agree the draft revised policy and the proposed changes at the September's Housing Sub-Committee meeting in order that any final amendments may be made before we publish it for public consultation. The final draft policy will be on-line for a 4 week period following the sub-committee and we will inform tenants and applicants of this and how to provide feedback.

Current Position

7. The draft revised policy is based upon detailed consultation sessions and surveys with staff and tenants and a review of the changes open to us through the Localism Act (2011). 330 tenants returned consultation surveys (17% of all tenants) and over 20 attended two in-depth sessions in June. The majority of tenants responding to the consultation have been in favour of the proposed changes.
8. It is hoped that the revised policy both protects existing tenants and offers those in housing need on the waiting list a greater chance of securing accommodation with us by the removal of some groups of people who we believe could access housing in the private sector or with another Local Authority if they have no City connection. We have made it clear that these exclusions are reflective of the current acute shortage of social housing and high levels of demand and will be revised in a policy review 3 years after the final revised policy is adopted.
9. The final agreed draft will be published on the website for 4 weeks. Feedback will be considered and changes made where this is felt appropriate, or where we are legally advised to do so.

Options and Proposals

10. Continuing with our old Allocations Policy was not considered an option given the large-scale national changes and how increasingly out-of date our policy is becoming. The following therefore sets out

the key proposed changes to our Allocations Policy based on the review and consultation feedback we have received so far. We believe that these changes will update, balance and streamline our policy and make it more tailored to our needs as the City of London.

- **Scrapping the points system and introducing a banding system**

We are proposing this change to simplify the allocations process for applicants and staff. Most social landlords who operate a Choice Based Lettings system (as we have since 2010) operate a banding system for allocations. This change therefore updates our policy and is welcomed by staff and was supported by tenants in the consultation feedback we received. We propose four bands:

- Band 1: High housing need
- Band 2: Medium housing need
- Band 3: Low housing need
- Emergency Band: this is for people who have an immediate/critical need to be re-housed. People in such exceptional circumstances will receive a direct offer of accommodation and will not have to apply through the Choice Based lettings system (this is as now).

- **Excluding applicants whose total household income is over £60,000 and applicants who have savings or capital over £30,000**

We are proposing this as we believe such people can financially access private housing (rented or sale). The current average salary for London is £26,000 so this cap is above this for a couple and so is not overly restrictive and still allows working applicants access to our housing. We make clear that this is reflective of the current housing shortage and high demand for housing and that we will review this in the next policy review where it could be reversed. This only affects 2 people on our current waiting list, but it is a move designed to protect our social housing as higher earning people increasingly turn to social housing providers to meet their housing needs.

- **Providing extra priority for low-paid City workers (households earning under £26,000) Proposed Band 2**

We are proposing the introduction of this extra priority to support those who work in the square mile on low wages, for example those who work in the hospitality or administrative sectors or those who are cleaners or security guards in the square miles' businesses, hospitals, schools etc. This supports the City's traditional role in providing affordable housing for people working in the City, reflecting the fact that all of our estates are within easy reach of the square mile.

Many low paid workers living in the private rented sector have to claim housing benefit and there is evidence showing that such people are having to move even further out of London as benefit levels are being reduced with the introduction of the Welfare Reform Act (2012) (particularly for those aged under 35). This is resulting in some people unable to work in central London as transport costs are too much of a burden or they simply cannot manage the travelling time with caring responsibilities. The introduction of this priority will therefore support such workers who help to keep the square mile functioning. The Government is also keen for Local Authorities to provide extra priority for working applicants.

- **Providing clarity for the priority given to ex-armed forces personnel. Proposed band 2 or 3.**

Such applicants would already receive priority but we intend to make this clearer based upon tenant feedback.

- **Excluding applicants who do not have a City connection**

This change is designed to ensure our housing goes to people who have a proven connection, whether through family, work, or roots to the City of London. This is common practice amongst the housing sector. Currently we have 232 applicants on the waiting list who have no City connection and we are proposing to exclude these to reduce our total waiting list, as well as applying it for new applicants.

- **Giving extra priority to existing tenants who want/need to down-size their property. Proposed band 1.**

We are proposing this for two main reasons: one, we have a shortage of larger family accommodation and so want to offer greater

incentives for people under-occupying (living in a property larger than their household needs) to give up their property and move to a smaller one. Two: with the impact of welfare reform, we will have 70 households from April 2013 who will face housing benefit cuts for under-occupying, therefore we need to increase the priority for tenants to downsize in order that they can move more quickly into a smaller property and afford to continue paying their rent.

- **Changing the priority awarded to applicants who are sons and daughters of City of London tenants. Proposed Band 2 or 3.**

The City has always maintained this policy (giving sons and daughters priority for housing) even when most social landlords abandoned it from the 1990s. Our current policy gives them priority over most other applicants regardless of their housing need. Whilst we want to still support these family ties on our estates, we are proposing that they be awarded a Band 2 rather than the equivalent of Band 1 as it currently operates. We are therefore retaining this policy but are balancing the needs of all applicants on the waiting list at this time of high housing need and shortage of supply. We only have about 60 applicants (5.3% of all applicants) who are sons or daughters of a tenant therefore it is not something used by the majority of our residents. The majority of tenants were in favour of this proposal as highlighted in the consultation feedback we received.

Clarifying our arrangements for 16 and 17 year olds and care leavers.

We are currently working with colleagues from across the Department to ensure this policy adequately supports such young people and that we join up our services effectively. Further details will be provided at the sub-committee meeting.

Applying these changes

11. We are recommending that above proposed changes would apply to applicants already on the Housing Register, as well as to new applicants. This is because we need to reduce the number of people waiting for housing so that those we award priority to get a better chance of securing accommodation with us. This would mean that all applicants would be written to (after the final policy has been

- approved) and informed of the new band awarded to them. Some may be told that they no longer qualify for our housing.
12. In order to do this, staff would need to reassess all applications in advance of this letter to determine which bands to be awarded or which people need to be removed. We envisage this will take three months to complete and are currently exploring the most cost effective way to do this as it could not be done within existing staffing resources.
 13. However, we would not intend to apply the changes to applicants who are our tenants (tenants who are on the transfer list) as this is removing something they had the right to. This is not the case for those applicants who are not existing tenants.
 14. All applicants retain the legal right to appeal against a decision we make. Given the large number of reassessments, we would expect a higher number of appeals to be lodged and are considering options for a Panel to deal with these, which we will discuss further at Housing Sub-Committee.

Corporate and Strategic Implications

15. Applying the proposed changes would remove applicants from the Housing Register who are financially able to move into private housing and who have no connections to the City of London. Such applicants take up valuable staff time enquiring about their applications, some on a weekly basis, even though they are informed that they are unlikely ever to receive housing from us.
16. Clarifying and streamlining our approach will increase efficiency in this area of our work as applicants better understand a band system than a complicated points system. All of this helps us to contribute to the Departmental Business Plan strategic aim of ‘Making best use of resources and improving the way we work’ and the Corporate Plan aim of ‘Seeking to maintain the quality of our public services whilst significantly reducing our expenditure and improving our efficiency’.

Financial and Risk Implications

17. Reviewing our Allocations Policy helps to mitigate against the risk of legal challenges in this area and provide a better service as we update our policy and procedures. However, there are some risks to be managed in the process which we will seek to manage by ensuring we:

- properly consult through-out the process so stakeholders have chance to comment on developing the draft and final versions
- think-through the proposed changes and identified the affects to out tenants, to applicants, and to ourselves to minimise future challenges
- effectively communicate the agreed changes to minimise negative reputational impact and maximise the positives (changes to social housing allocations policies now regularly make the headlines in related press)
- effectively plan for temporary additional resources to make the changes to existing applicants in a timely manner

18. There will be a temporary financial cost to secure additional resource to carry out the reassessment of all existing applications, equivalent to a full-time post for three months (initial estimate which will be firmed up before the final policy report). There will be the cost of printing up summary copies of the Policy to be displayed in our estate office receptions and provided to people upon request (within existing communications budget).

19. We have conducted a Stage 1 Equalities Impact Assessment and have concluded that there is no requirement to conduct a Stage 2 assessment as there is no disproportionate impact upon any of the groups defined by, and protected by, the Equalities Act (2010). Please see Appendix 2 for the results. However, this will be reviewed after the public consultation has been carried out.

Conclusion

20. This report presents the draft revised social housing Allocations Policy for discussion and approval before it goes out to statutory

consultation. It is a core policy for the City's Housing Services and one that must be reviewed thoroughly in order to ensure a robust policy to meet national requirements and local needs.

21. Members will be presented with a final policy for approval in November 2012, or January 2013 if there are any major changes to be made as a result of the statutory consultation.

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