

Committee(s)	Dated:
Housing Management and Almshouses Sub-Committee	16 May 2017
Subject: Housing Allocations Scheme 2017	Public
Report of: Director of Community and Children's Services	For Decision
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Summary

This report presents the proposed City of London Corporation Housing Allocations Scheme 2017. The City Corporation is required by the Housing Act 1996 to publish an Allocations Scheme and abide by the scheme when making offers of social housing tenancies to applicants.

The proposed scheme offers a greater degree of clarity than the current scheme, which can be ambiguous in its operation. It also makes a number of changes to take account of fluctuations in housing demand and supply since the policy was last reviewed and addresses some minor legal issues.

The proposed scheme will need to undergo a full public consultation before it can be legally adopted. The proposed scheme is presented today for Members comments and approval is sought to go out to public consultation. Following the consultation, a final version of the scheme will then be brought back to this committee later in the year for final approval.

Recommendations

Members are asked to:

- Comment on the proposed Housing Allocations Scheme 2017
- Approve the draft Housing Allocations Scheme 2017 for public consultation

Main Report

Background

1. The City Corporation is required by Part VI of the Housing Act 1996 to publish a Housing Allocations Scheme. This document will determine the basis for allocating vacancies within the City Corporation's social housing stock and housing association vacancies to which it has nomination rights.
2. The policy set out in the Allocations Scheme is governed by the Housing Act 1996, the Homelessness Act 2002, Housing Act 2004, Localism Act 2011 and two pieces of Statutory Guidance; *Allocation of accommodation: guidance for*

local housing authorities in England (2012) and Providing social housing for local people (2013).

3. The Housing Act 1996 requires that reasonable preference is shown to several groups of applicants. These are applicants living in overcrowded, insanitary or unsuitable accommodation, applicants found to be homeless under Part VII of the Act, applicants with a medical or welfare related need to move and applicants who need to live in a specific area to avoid hardship. Local authorities have discretion to set other local priorities operating below the level of reasonable preference and can determine how applicants with similar needs are prioritised.
4. Local authorities prioritise applicants by reviewing their circumstances and either placing them into one of several bands or awarding them a number of points. The City Corporation adopted its current bands based Allocations Scheme in December 2012 in response to the Government's then preference for this system. This was significantly revised in September 2015 to become a hybrid 'points within bands' system.

Current Position

5. The current hybrid 'points within bands' Allocations Scheme is unnecessarily complex and can be ambiguous in practice and unclear to applicants. A decision to operate either a points or a bands system is needed to provide a sufficient level of clarity.
6. The revised policy has been operating for around eighteen months. During this time a number of issues have arisen which need to be addressed to enable the policy to operate more efficiently and make optimal use of the Corporation's limited social housing stock.
7. As a revision, the September 2015 changes were adopted after a two week public consultation. It is possible that this could be open to challenge, were an applicant able to successfully argue that the revision was effectively a new scheme and thereby required a full public consultation.

Proposal

8. It is therefore proposed that a new scheme, the Housing Allocations Scheme 2017, is adopted. This is presented in Appendix A.
9. This uses the current scheme as a starting point but makes considerable changes to address the issues outlined above. The most significant changes are detailed in the following sections. A comprehensive list of changes is available in Appendix B.

A Points System

10. The proposed Allocations Scheme would operate a points system. This has historically been the City Corporation's preference as it aims to understand each household's circumstances and offer accommodation to those who need it most.

Lowering the Savings Threshold

11. The City Corporation currently operates both a savings and an income test when assessing whether new applicants qualify to go on the waiting list. To qualify, a household must have a combined gross income of less than £60,000 and combined household savings of less than £30,000.
12. We believe this is sufficient for someone to rent a home in the private sector and the proposed scheme lowers the savings threshold to £16,000 in order to target limited social housing at those most in need. The income threshold would remain at £60,000.

Defining Lower Income

13. The City Corporation offers some preference to new applicants who work within the Square Mile and are on a lower income. We currently define a lower income as a gross household income of £26,000 per year.
14. We propose linking our definition of lower income to the earnings two people working full time at the National Living Wage would receive. In 2017-18 this would be £29,640 per year. Annual increases in the National Living Wage will automatically increase this.

Expanding the Lower Income City Connection Group

15. The current scheme only offers this 'lower income' preference to people who work in the Square Mile. The new scheme proposes offering the same level of priority to people who live in the City of London and have a household income below the threshold.
16. This would open up this part of the waiting list to City residents who work outside of the Square Mile, City residents who have recently lost their job and City residents who are not in paid employment but who experience difficulties paying private rents as a result of welfare reform.

Increasing the priority of the Studio Upgrade group

17. The September 2015 revisions introduced a Studio Upgrade category to enable City Corporation tenants, aged over 45, living in a studio and with no housing needs, to apply for a transfer to a one bedroom flat. This was done to meet some tenants' aspirations for a larger home and free up studios for new lettings.
18. According to the City of London Strategic Housing Market Assessment, 48 per cent of applicants on our waiting list require studio accommodation while only 31 per cent of lettings are studios. In contrast only 13 per cent of applicants require a one bedroom flat, while 30 per cent of new lettings are one bedroom flats. This mismatch between demand and supply means that if both waiting lists were closed to new applicants today, it would take 2.6 years to address the need for one bedroom flats but 9.4 years to meet the need for studios.

19. The Studio Upgrade group is in band 3 of 4 in the current scheme. This level of priority has not enabled many transfers to take place and the category is not yet meeting its aim of creating vacant studios available for re-letting. To address this, the proposed scheme increases the priority of the group to position 5 of 12.
20. The proposed scheme would also increase the number of current tenants who can apply for a Studio Upgrade transfer. As well as those who are over 45, this category would also be open to couples living together in a studio and parents whose children do not live with them, but who visit often and would regularly spend the night if there was space. Tenants in a studio flat who have a recognised need to move to a larger flat, for example due to a disability or medical condition, will continue to be awarded reasonable preference and prioritised accordingly.

Introducing extra priority for Mixed Sibling Sharing

21. The current Allocations Scheme treats overcrowding cases the same, regardless of who is sharing a bedroom. The proposed scheme would offer additional priority to overcrowded households where two siblings of different genders, at least one of whom is aged ten or over, are being forced to share a bedroom. This is because the psychological effects of overcrowding are worse when siblings of different genders must share a bedroom during puberty.

Reducing the priority of applicants who act in bad faith

22. The current scheme reduces the priority given to homeless applicants who have been found 'Intentionally Homeless'. This term is defined in Part VII of the Housing Act 1996 as someone who deliberately did something, or failed to do something, that caused them to lose their home. This could be something like anti-social behaviour or not paying their rent when they had the money to do so.
23. The proposed scheme would expand this to reduce the priority of other applicants whose actions have contributed to their housing difficulties. This could include applicants who move into accommodation that is too small for their needs, in order to gain overcrowding priority, when they could have afforded a larger home. We want to discourage this kind of behaviour to be fair to those applicants who genuinely need help to find suitable accommodation.

Including decants in the Allocations Scheme

24. A decant is a move initiated by the City Corporation rather than the tenant and is usually used where vacant possession of a flat is required for major works or a regeneration project. A decant transfer does not engage Part VI of the Housing Act 1996 and as such does not need to be handled through the Allocations Scheme. The current scheme does not include reference to decants, although many have taken place, most notably from Mais House.
25. The proposed scheme includes decants as this is the most transparent way of letting all applicants know who is being housed and why. The proposed scheme also divides decants into early, middle and urgent moves, with increasing levels

of priority. This will prevent decants from dominating the allocations process and crowding out other applicants in housing need.

Increasing the priority of homeless applicants after twelve months

26. The September 2015 revisions reduced the priority of homeless applicants from band 2 of 4 to band 3 of 4. This was done to align with the City Corporation's Homelessness Strategy and encourage those threatened with homelessness to engage with prevention work, rather than relying on an offer of social housing.
27. This loss of priority has had other consequences and applicants to whom the City Corporation has accepted the full homelessness duty are now staying in temporary accommodation for longer periods. Long stays in temporary accommodation are detrimental to applicants and expensive for the City Corporation.
28. The proposed scheme would therefore offer increased priority to homeless applicants once they have been in temporary accommodation provided by the City Corporation for twelve months. This additional priority will be sufficient to increase their position from group 9 of 12 to a position between groups 2 and 3 of 12. This will limit waiting times and temporary accommodation expenditure.

Consultation

29. If approved, the proposed Housing Allocations Scheme 2017 will be subject to a full public consultation, between 22 May and 18 August 2017.
30. A final version of the scheme will be brought back to this committee and then the Community and Children's Services Grand Committee for final approval later in the year.

Corporate & Strategic Implications

31. The proposed Allocations Scheme supports two priorities in the Department of Community & Children's Service Business Plan These are:
 - Priority 4: Homes and communities – Developing strong neighbourhoods and ensuring people have a decent place to live.
 - Priority 5: Efficiency and Effectiveness – delivering value for money and outstanding services.

Financial Implications

32. Chamberlain's have been consulted and had no additional comments.

Legal Implications

33. An independent review of the Housing Allocations Scheme 2017 was provided by TLT LLP. The proposed scheme has been amended in accordance with their advice.

34. Comptroller & City Solicitors have been consulted and had no additional comments.

Equalities Implications

35. A full Equalities Impact Assessment has been carried out for this policy. This concluded that the proposed scheme would have a number of positive impacts on applicants who share protected characteristics. A number of minor adverse impacts have also been identified, however, these are all necessary to achieve wider policy objectives and appropriate mitigations have been put in place.

Conclusion

36. This report presents the City of London Housing Allocations Scheme 2017. The proposed scheme provides a clear and fair framework for allocating social housing. The scheme is more legally robust than the one it is intended to replace and addresses a number of current issues to ensure optimal use is made of the Corporation's limited housing stock.

Appendices

- Appendix A – Housing Allocations Scheme 2017
- Appendix B – Comprehensive list of changes
- Appendix C – Equalities Impact Assessment

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