

Committee	Dated:
Housing Management and Almshouses Sub-Committee	26 September 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.

A full public consultation has been carried out on the proposed scheme. Officers have suggested several changes in response to the feedback received from partners and the public. Members are asked to review the amended scheme and recommend it for onward approval by the Community and Children's Services Committee.

Recommendations

Members are asked to:

- review the feedback received during the consultation and the suggested changes to the Allocations Scheme 2017.
- recommend the amended Allocations Scheme 2017 for onward approval by the Community and Children's Services Committee.

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. The proposed City of London Housing Allocations Scheme 2017 is intended to provide 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.
5. A thirteen week public consultation on the proposed Allocations Scheme was held over the summer. Booklets were provided to City Corporation community libraries and Estate Offices, letters were sent to every applicant on the Housing Register, officers spoke at Residents Meetings and articles were placed in City Resident, City Matters and the Housing Newsletter.

Consultation Feedback

6. Feedback was received from 116 members of the public and 18 partner organisations, such as housing associations or neighbouring local authorities.
7. The consultation took the form of seven multiple choice questions about the most significant proposed changes. Respondents were also given an opportunity to explain their answers, comment on any of the more minor changes or make further suggestions. A full report on the consultation results can be found in Appendix B.

Issue One – Lowering the Savings Threshold

8. The City Corporation currently operates a savings test when assessing whether new applicants qualify to go on the waiting list. To qualify, a household must have savings of less than £30,000. In order to target scarce social homes at those most in need, the proposed Allocations Scheme included a lower savings threshold of £16,000.
9. This proposal received a mixed response from the public, with 44 per cent favouring the proposed £16,000 threshold or a lower one and 42 per cent favouring the current £30,000 threshold or a higher one. All of the comments received on this issue were opposed and many made reference to difficulties a household with only £16,000 in savings would face attempting to find a permanent home in the London market.

10. An impact assessment has also been carried out on the proposed change. This found that only around 2.5 per cent of the waiting list, or 2 cases in a random sample of eighty-one, would be affected by the change. Of the two cases identified, one also had an income above the current threshold and has now been closed. The other household contained several dependents, had a low income and had accrued savings over a long working life. It was not the aim of the proposal to exclude households such as this from the Housing Register.
11. The consultation responses also highlighted a possible adverse impact on two groups protected under the Equalities Act 2010. Responses received from older people and from people with disabilities or long-term health conditions favoured a higher savings cap. This is perhaps due to having had a longer time in which to save or in anticipation of higher future living expenses.
12. In response to the feedback received during the consultation and the evidence gathered in the impact assessment, it is recommended that this proposal is amended and the scheme continues the current savings threshold of £30,000.

Issue Two – Defining Low Income

13. The City Corporation currently offers some preference to new applicants who work within the Square Mile and are on a lower income. Currently low income is defined as a gross household income of £26,000 per year. The proposed Allocations Scheme would link 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.
14. This proposal received a mixed response from the public and 36 per cent agreed £29,640 was an appropriate definition of a low income household. While the proposed definition does not enjoy a high level of support, it may not be possible to achieve consensus on this issue; 32 per cent of the public would favour a higher definition and 30 would favour a lower one. It is therefore recommended that the proposed definition of low income at £29,640 per year is retained.

Issue Three – 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.
17. This proposal was positively received by the public with 57 per cent agreeing and 26 per cent disagreeing. It is recommended that this proposal is retained.

18. In response to a suggestion from a member of the public, a clause has also been inserted (in Appendix A, 6.2.D) to treat those providing regular unpaid care to City residents or tenants on an equal basis as those in paid employment in the City.

Issue Four - Increasing the priority of the Studio Upgrade group

19. City Corporation tenants, aged over 45, living in a studio and with no housing needs, are currently able to apply for a transfer to a one bedroom flat. This is done to meet some tenants' aspirations for a larger home and to make studios, which are in high demand from the waiting list, available for re-letting.

20. 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.

21. 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.

22. This proposal received a high level of support from the public with 78 per cent in favour and 13 per cent opposed. It is recommended that this proposal is retained.

23. In response to feedback from a member of the public, a suggested clause has also been inserted (in Appendix A, 6.18) to define a child as a person under 18 or a person under 25 who is in full time education or who has special educational needs.

Issue Five - A Points System

24. 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.

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

26. This proposal was positively received by the public with 62 per cent agreeing and 20 per cent disagreeing. It is recommended that this proposal is retained.

Issue Six – Introducing extra priority for Mixed Sibling Sharing

27. 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.

28. This proposal received a very high level of support from the public with 85 per cent in favour and 10 per cent opposed. It is recommended that this proposal is retained.

Issue Seven – Reducing the priority of applicants who act in bad faith

29. 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.
30. 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. Recently there have been two linked cases of this nature which have attracted the concern of tenants. The proposed policy is intended to discourage this kind of behaviour and to be fair to those applicants who genuinely need help to find suitable accommodation.
31. This proposal received a very high level of support from the public with 87 per cent in favour and 6 per cent opposed. It is recommended that this proposal is retained.

Other changes

32. A number of other minor changes have been made to the proposed scheme in response to public feedback. These include clauses to enable lettings involving vulnerable people to be handled sensitively, to adapt the bedroom standard in cases with exceptionally small rooms and to introduce a local connection rule for Older People's Housing.

Proposal

33. It is proposed that the Housing Allocations Scheme 2017, presented with the above suggested changes in Appendix A, is adopted. As such Members are asked to recommend the scheme for onward approval by the Community and Children's Services Committee.

Strategic Implications

34. The proposed Allocations Scheme supports three priorities in the Department of Community & Children's Service Business Plan These are:

- Safe - People of all ages live in safe communities, our homes are safe and well maintained and our estates are protected from harm
- Independence, involvement and choice - People of all ages can live independently, play a role in their communities and exercise choice over their services
- Health and wellbeing - People of all ages enjoy good health and wellbeing

Financial Implications

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

Legal Implications

36. An independent review of the Housing Allocations Scheme 2017 was provided by TLT LLP. The proposed scheme was amended in accordance with their advice prior to the public consultation.

37. Comptroller's have been consulted and had no additional comments.

Equalities Implications

38. 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

39. 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 – Consultation Report
- Appendix C – Equalities Impact Assessment

Background Papers

- Housing Allocations Scheme 2017 (Housing Management and Almshouses Sub-Committee 16 May 2017)

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