

Committee(s)	Dated:
Community and Children's Services	13/10/2017
Subject: Housing Allocations Scheme 2017	Public
Report of: Andrew Carter, 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 a Housing Allocations Scheme and to abide by the scheme when making offers of social housing tenancies to applicants.

The proposed scheme offers more 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 consultation has been carried out and several changes to the scheme have been made in response to the feedback received from partners and the public. The proposed scheme has been reviewed by the Housing Management and Almshouses Sub-Committee and is presented today for this Committee's approval.

Recommendation

Members are asked to:

- Approve the Housing Allocations Scheme 2017.

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 determines 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 Housing Allocations Scheme is governed by the Housing Act 1996, 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 certain 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 Housing 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' Housing 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 clarity.
6. The revised policy has been operating for about two years. During this time, a number of issues have arisen which need to be addressed to make optimal use of the City 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 if an applicant were to successfully argue that the revision was effectively a new scheme and therefore 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 below.

Defining Lower Income

10. 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 Housing 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.

11. 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.

Increasing the Priority of the Studio Upgrade Group

12. 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 on the waiting list, available for reletting.
13. According to the City of London Strategic Housing Market Assessment, 48% of applicants on our waiting list require studio accommodation while only 31% of lettings are studios. In contrast, only 13% of applicants require a one-bedroom flat, while 30% 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.
14. 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 reletting. To address this, the proposed scheme increases the priority of the group to position 5 of 12.

A Points System

15. The current hybrid 'points within bands' Housing Allocations Scheme is unnecessarily complex. A decision to operate either a points or a bands system is needed to provide clarity.
16. The proposed Housing 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.

Introducing Extra Priority for Mixed Sibling Sharing

17. The current Housing 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 10 or over, are 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

18. 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 actions such as anti-social behaviour or not paying their rent when they had the money to do so.
19. 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 tenants' concern. The proposed policy is intended to discourage this kind of behaviour and be fair to those applicants who genuinely need help to find suitable accommodation.

Increasing the Priority of Homeless Applicants After 12 Months

20. 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 to encourage those threatened with homelessness to engage with prevention work, rather than relying on an offer of social housing.
21. 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.
22. The proposed scheme would therefore offer increased priority to homeless applicants once they have been in temporary accommodation provided by the City Corporation for 12 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

23. A 13-week public consultation on the proposed Housing Allocations Scheme was held over the summer. Booklets were provided to City Corporation lending 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.
24. Feedback was received from 116 members of the public and 18 partner organisations, such as housing associations and neighbouring local authorities. A full report on the consultation process and results can be found in Appendix B.
25. A high level of support was received on all the changes outlined above. One proposed change – lowering the savings threshold that applicants must fall

beneath to qualify for social housing – did not receive sufficient public support and has been removed from the proposed scheme. A number of other minor changes have been made to the scheme in response to public feedback.

26. The post-consultation version of the proposed scheme has been reviewed and approved by the Housing Management and Almshouses Sub-Committee.

27. In response to a query from the Housing Management and Almshouses Sub-Committee the scheme has also been amended to clarify that the assessment of an applicant's level of savings will exclude pension fund assets intended to provide an income in retirement.

Corporate & Strategic Implications

28. The proposed Housing Allocations Scheme supports three priorities in the Department of Community and 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

29. Chamberlain's has been consulted and had no additional comments.

Legal Implications

30. An independent review of the Housing Allocations Scheme 2017 was provided by TLT LLP. The proposed scheme was amended in accordance with its advice.

31. Comptroller's has been consulted and had no additional comments.

Equalities Implications

32. A full Equalities Impact Assessment has been carried out for this policy and can be found in Appendix C. 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

33. 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 City Corporation's limited housing stock.

Appendices

- Appendix A – Housing Allocations Scheme 2017
- Appendix B – Consultation Report
- Appendix C – Equalities Impact Assessment

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