

Proposals for Changes to the Allocations Policy

1. Income thresholds

Proposal

It is proposed that households with incomes above a certain threshold or with savings of over £100,000 should not be able to join the Housing Register for social rented housing. Such households could be invited to join a register for Intermediate Housing (a separate report on this Cabinet agenda). The income thresholds would be applied when the applicant first applies for housing, and if they have a change of circumstances in which their income goes either up, or down, then they would be obliged to inform the Council, and the application amended.

The current scheme does not set any income threshold for admission on to the Housing Register.

Reason

The Housing Strategy, due to be adopted in November 2016, sets out what households in different income bands can afford and establishes the definition of affordability as housing costs not exceeding 45% of household net income. When applied to homes of differing bedroom sizes, this would establish thresholds as follows:

Size	Annual household gross income required, to spend no more than 45% of net income
1 Bed	£33,000
2 Bed	£42,200
3 Bed	£52,000
4 Bed +	£64,200

It is proposed to exclude from the Housing Register those households whose gross income exceeds the thresholds indicated above.

A second reason for proposing an income threshold is that under the provisions of the Housing and Planning Act 2016, households with an income above a certain threshold (currently set at £40,000) in London, will be obliged to pay market rents. It seems appropriate that rather than paying market rents in social housing, these households pay market rents in market housing, and that the scarce social housing resource be reserved for households who cannot afford market rents. When confirmed, the Pay to Stay threshold will be an important consideration in finalising the above proposal.

Bearing in mind that rents and incomes change regularly, it is proposed that the Policy does not indicate an actual figure for the income threshold, but will refer to a separate regularly updated table indicating the income thresholds applying at the time. The Government have also committed to raising the threshold of the Pay to Stay Scheme annually by CPI, and it also makes sense for our threshold to rise in line with this. This will also be published, but updated regularly without a requirement to obtain Cabinet approval.

Pay to Stay is being introduced in a tapered way, so that households on incomes above the threshold (currently set at £40,000) will pay an additional 0.15p a week for each £1 of additional income that they have, above the thresholds. The additional income has to be paid to government. This means, for example that a households on an income of £45,000 will have to pay an additional £14.42pw.

Impact

This is likely to have the effect of reducing the number of households on the Housing Register,

although it is not possible at this stage to say by how much. Income data is collected from households in the Housing Register but not retained or analysed, once applicants have been successful, and therefore the impact will have to be monitored closely. The policy will also encourage households to think of alternative housing options, which they may not have previously considered; and encourage households into a more mixed range of tenures, such as Intermediate rented, or Intermediate ownership housing.

Where applicants are applying as homeless, our duty to provide temporary accommodation, and access to settled accommodation will apply irrespective of income, and such households may be owed the duty to provide temporary accommodation; clearly the aim of the policy will be to assist them to Intermediate or private rented accommodation as a settled home.

2. Definition of a household who can register for housing

Proposal

Currently, a household can register with the following members: husband, wife or civil partner; son and/or daughter; brother and/or sister; grandparents and/or grandchildren. Bearing in mind households including extended members of the household, are likely to need larger properties which are in short supply, it is proposed to change the definition of a household to the immediate family: husband/wife or civil partner; sons and daughters. This proposal could be combined with an exception in the case of households where an extended family member either receives or provides care to another family member – this could be childcare, or care for a vulnerable family member. It is proposed that discretion would be provided to an appropriate officer to allow other members to be added to the household, for example where they have lived together for a long time; but that the standard household application would be limited to the immediate family.

Reason

The proposed change with regard to the definition of the household is driven by lack of larger properties in our housing stock and the very long waiting time for them. If such households are homeless, and provided with temporary accommodation, this represents a very high cost to the Council until such accommodation becomes available. Currently 58.9% of our stock is two or three bed property; 35% is one bed and only 4.5% is four bed or more.

The homelessness legislation recognises as a household, people who have been living together, and who are reasonably expected to do so: this definition of course will continue with homeless applicants; but active conversations take place with larger households about how their housing needs can best be met which may include separate applications for different generations.

The definition of households who may be housed together is changing fairly consistently across London. **Brent** include within the household only tenants and their children, and the only additional non dependents who may be included are those giving or receiving care, which has to be supported either by a court order or social services or health professional. **Croydon** define the household as tenant, partner and children, and close relatives if they are dependent on the tenant, or if the tenant is dependent upon them. **Enfield** define household as tenant, partner and children and not parents, grandparents sisters or brothers, unless there is an exceptional need to be with the tenant. There are a range of options for the way forward on this proposal. One option would be to use the definition within the homelessness legislation of a households, as one where the members have lived together in the past, *and* are reasonably expected to do so; an alternative would be just to limit those who are able to register on the Housing Register as those giving or receiving care (as in the Brent scheme).

Impact

There are currently 306 multigenerational households on the Housing Register of which 78 need four bed properties, or larger. The proposal to reduce the size of the household definition, to just the immediate family, may increase the number of households on the Housing Register, if different generations of a household make separate applications; but those applications are more likely to be successful if they are for the size of property, of which we have more stock. The policy would in effect prompt households to apply for housing that they are more likely to be successful in obtaining.

There may be an impact on particular households from cultures where cross generational living is more common. It is also possible that in giving or receiving care, for example for grandchildren, there is a positive contribution made by multi-generational families. However This will be mitigated by the proposal that the definition of households is extended to include members of the family who give or receive care. In addition, there will be discretion for officers to allow additional members to be added in exceptional circumstances. There are potential equalities issues which will need to be considered as part of the consultation exercise.

3. Review of Housing Needs Bands

Proposal

The current scheme provides for three bands of housing need: Bands A, B & C. Most homeless households are in Band B, but some who have severe welfare or medical needs may be placed in Band A, the highest priority band. Because of the high demand for housing from homeless applicants, the proportion of lettings that are made to homeless households is high, so much so that other people who are waiting on the Housing Register may feel that their chances of being rehoused in this way are low. Currently, households with a housing need because they are overcrowded would be placed in Band C, whilst a homeless household would have a higher priority although even if placed in suitable temporary accommodation.

The proposal is that there should be a review of the bands, and the different groups that are prioritised within each band. In particular, it is proposed to give higher priority to households in overcrowded circumstances on the Housing Register. In addition, it is proposed to place all households who are under occupying their properties, no matter what the size, in Band A.

Reason

The proposal is designed to influence the behaviour of applicants. In this case, by giving a general greater priority to households waiting on the Housing Register, it is hoped that it may encourage households to wait for rehousing patiently in their current housing circumstances, and have a realistic prospective of success. If households think that they have no realistic prospect of being rehoused, then housing circumstances which are difficult become intolerable and trigger homelessness applications. If households believe that they have a realistic prospect of rehousing, if they remain where they are on the Housing Register, then homeless applications may reduce. This message is embedded in the Allocations Policy of for example, Camden, where applicants in temporary accommodation know that they are only likely to be offered private rented accommodation, and almost all lettings are directed through the Register. Camden has only 450 households in temporary accommodation, which appears to support this approach.

In addition, it is very much in the Council's interest to increase the number of households who down size as this releases valuable properties for households on the Register. Therefore it makes sense to give the highest possible priority to households who are under occupying, no matter whether they are giving up one or two bedrooms.

Impact

In the immediate short term, it is possible that waiting times in temporary accommodation may increase, and temporary accommodation costs increase as well. Once a more widespread understanding of this approach is shared, people's approach to their application may change, and a shift in the balance of lettings takes place so that over time, homeless applications and temporary accommodation use will reduce. However it is clear that there may be concerns with this approach at this time, when the numbers in temporary accommodation are high and rising. Such a policy would need to be closely monitored and amended if the costs to the Council are significantly worse.

There is a risk from the increasing proportion of homelessness applications arising from private rented sector evictions, where the household will have no way of delaying or postponing their homelessness application and will be adversely affected by this proposal.

The proposal will have the impact of informing applicants of the relevant priority that the Council attaches to different kinds of applicant for housing.

The impact of raising the priority of households who are under occupying their homes may not have a major impact, as this is only one of the factors that encourage households who are under occupying to move. This, together with a support service and the offer of higher quality homes may as a whole package provide additional strength to the offer that we make to households under occupying their homes.

4. Single person households under the age of 35

Proposal

Currently anyone over the age of 16 can register for housing on the Housing Register. As already seen there are difficulties with the cohort between the ages of 16 – 18 for which proposals are set out above. There are also however problems with households over the age of 18 and below the age of 35, if they are a single person household.

The Government's proposal that Local Housing Allowance rates will apply to social housing, when applicants in social housing apply for Housing Benefit, will have an adverse impact on this cohort of people. Single people under the age of 35 are assumed to be able to find accommodation in a shared house – where they rent a room, and share all other facilities. The amount of Housing Benefit they receive is therefore set at what is known as the "Shared Room Rate". Some, but not all of the Council's one bed housing stock has rents (including service charges) which are above the Shared Room Rate, and therefore it is possible that single person households under the age of 35 will not be able to afford our one bed flats.

The policy options on which we wish to consult is how to deal with this situation. The options include:

- Removing all single person households under the age of 35 from the Housing Register, and advising such applicants to find a shared room within the Private Rented Sector
- The Council letting some of its accommodation as shared housing, where applicants under the age of 35 are allocated one room in a shared house; and that rents are charge per room;
- Setting aside all one bed accommodation with low rents, (where they are below the Shared Room Rate) for such households as a priority, over other applicants for one bed properties.

Reason

The change in the Government's Regulations for the administration of Housing Benefit has caused a difficulty for the cohort of households who are under the age of 35, single and in need of housing. It is the case that the majority of single person households under the age of 35 who are accepted by the Council as homeless, will be very vulnerable, and may not be suited to shared housing.

The policy options set out above are alternative approaches to dealing with this problem. If we continue with our existing policy, the danger is that some single person households under the age of 35 will be allocated to a home, where they will not receive full Housing Benefit, and will therefore be unable to afford it.

The full effect of this change does not take place until April 2018, although the proposal does apply to all tenancies which start after 1.4.16. In addition, the Government is still considering the impact of this change on supported housing and other groups, and has promised to publish research into the costs of supported housing, and to make decisions on the long term future of this policy.

The Government's proposal does not affect single person households under the age of 35 who are working. It should be noted of the 72 households in this category currently in Temporary Accommodation waiting for rehousing, 10 are working.

The Local Housing Allowance cap already applies in the Private Rented Sector. A limited number of tenants are exempt from the cap:

- Care leavers until the age of 22
- Over 25 year olds who have lived in a homeless hostel in the last three months, and are receiving support
- People who have left prison and are being managed under a MAPPA programme for high risk offenders
- Disabled people who need overnight care
- Disabled people who receive the middle or high rate of Disability Living Allowance
- Disabled people who receive the daily living component of the Personal Independence Payment

At this stage, the Government have not made any announcement about whether these exemptions will also apply to the social housing sector, when the cap comes into force in April 2018.

Impact

4. Single person households under the age of 35

The change in the rules on benefit for such households may undermine the effort of Councils to successfully settle some of the most vulnerable households who are accepted – those with a history of mental illness, those leaving care; single women fleeing domestic violence.

The alternative approaches to the change in rules, will have different impacts. If we decide not to house this cohort at all in social housing, clearly they will end up in shared housing in the private rented sector, which may not be the best and most appropriate housing for them, and certainly will not be the preferred choice of most of the applicants. Shared housing is of course more difficult and costly to manage, and carries risks which will need to be fully assessed.

5 . Sheltered Housing

Proposal

Currently, any person or couple over the age of 50 can apply for sheltered housing. Sheltered housing provides independent accommodation, in a setting with communal facilities, such as lounge, laundry, gardens and some social activities. There are staff allocated to support the residents. There is a review of supported housing, including sheltered housing underway at the present time. Its early findings suggest there are a significant number of residents who have relatively low level support needs.

Options are to:

- Raise the age threshold to state retirement age and ensure a more robust support need threshold operates;
- Remove the age threshold entirely and operate an entirely needs-based system, which would require schemes to be designated differently to the current arrangements.

The Council wishes to ensure that the provision of sheltered housing better matches need and demand, which may necessitate revisions to the current arrangements for assessment and prioritisation. These and other options will be influenced to a significant degree by the findings of the supported housing review, which will influence the detailed proposals included in the consultation.

Reason

Sheltered Housing has particular qualities and characteristics which are designed to support older people to live more independently through increasing frailty. However, this type of accommodation has become less popular, partly because many schemes were built to standards appropriate in the 1960s and 1970s which are no longer so popular today. As a result, one tactic used in the past to ensure that properties in sheltered complexes are let, has been to reduce the age of qualification for this type of accommodation. This has meant in some cases, a clash of lifestyles, with more independent people living in sheltered accommodation alongside more elderly and frail households.

The review of supported housing is identifying that there is a proportion of residents in sheltered accommodation who do not need the support and facilities that are provided.

The reason for this proposal is to move back to a model of housing and support that is wanted, and needed by the residents who live in the schemes.

Impact

One impact of this change may be to reduce the cohort of people awaiting sheltered accommodation, as single people and couples between 50 and 60 are removed from the Register for sheltered housing. This may also lead to an increased number of vacancies in sheltered housing schemes, which may assist with implementing the findings of the review.

The positive impact will be to restore the original purpose and function of sheltered housing. The review may conclude that there is a reduced need for all the current schemes and provision of sheltered housing, and this may lead to specific decisions about particular buildings, which could be converted for another use.

6. Removing choice from homeless households, and quota applicants

Proposal

In the current arrangements, households to whom the Council has accepted a duty to provide settled accommodation, are placed in temporary accommodation of various kinds, and then are able to bid via Choice Based Lettings, for a home of their choice. However some people do not bid as they prefer to remain in their temporary accommodation. This situation cannot be sustained, as temporary accommodation generally is a net cost to the Council's General Fund. For this reason, these households are put on an "Autobidding system" which means that the computer system will bid for properties of the appropriate size on their behalf, and they are asked to view, and to accept the property if they are successful.

In one sense, therefore their "Choice" is forced, and does not meet the aspirations of the Choice Based Lettings system. The proposal is to remove this "choice" and to make all homeless households one offer of appropriate accommodation. If they refuse this accommodation, the Council may declare that it has discharged its duty towards them, and may proceed to evict them from their temporary accommodation.

In addition, there are individuals living in supported accommodation, who are ready to move on. However they do not bid on the Choice Based system, or only bid very selectively for very few properties. This could be because they feel more comfortable and safe in the supported scheme, even when they are ready to move on and no longer need as much support. The proposal is that they should be made a direct offer of accommodation.

Reason:

One reason for proposing this approach is that it makes a further distinction between homeless applicants and other applicants in difficult housing circumstances on the Housing Register. The message that the Council would be giving to applicants is that those waiting on the Housing Register will have the benefit of choice, but those applying as homeless would have no choice, and would only receive in effect an offer of whatever the Council has available at the time. In addition, the proposal reflects the reality of what is occurring with homeless households now, and removes the administration of setting applicants up on the Choice Based Lettings system, and then forcing their choice by submitting auto bids on their behalf. It may also speed up the process of making offers of accommodation to homeless households, and either moving them into settled accommodation more quickly, or discharging duty towards them, if they refuse an offer of reasonable accommodation.

The reason for seeking the additional ability to make direct offers to households on the various quotas is in order to ensure that they do move on when they no longer need the support provided within the supported housing scheme. This will free up accommodation for new applicants in greater need of the support.

Impact

This policy may be unpopular with homeless households, particularly those in temporary accommodation who prefer to remain there. The positive impact for the Council will be to move the process of moving homeless households more quickly either into settled accommodation, or where they refuse the single offer of accommodation, enabling the Council to discharge its duty towards such households. This may also have the effect of reducing the numbers and costs of temporary accommodation.

Making direct offers to households subject to social housing quotas, such as care leavers, or those moving on from supported housing schemes, will ensure that these quotas are fully taken up and that supported accommodation is released for those with greater support needs. However, it does have the negative effect of removing bidding from the process by which care leavers and other vulnerable individuals are encouraged to take responsibility for engaging with their housing solution and managing their lives generally.

7. Prioritising decant cases

Proposal

The current policy states that the Lead Member for Housing and Regeneration has authority to award permanent decant status to households affected by the demolition or redevelopment of their estate. They will be awarded the highest priority, band A and are able to bid for alternative accommodation.

Currently when decant status is awarded, it is awarded for all the applicants in a particular block at the same time, and accordingly they enter the Housing Register with the same priority date. This can mean that a large number of tenants have identical priority.

It is proposed that tenants affected by redevelopment status should be awarded Band A, but that the effective date should be the date of their tenancy. This will mean that tenants will have different levels of priority, and mean that they are not all competing for the same properties and end up in the same priority, making it difficult to be clear about who has priority for each property.

Reason

The reason for this proposal, is to differentiate between people who are all being given decant status at the same time. This will ensure that they are all not competing on an equal basis for the same properties.

Impact

This will provide a prioritising system, simple and understandable for households who need to move by reason of the redevelopment of their estate and should facilitate more efficient rehousing.