

Appendix 4: Update 1 - Harrow's new Housing Allocations Scheme

June 2012

1. Fairness in housing allocations

In order to achieve the goal of reducing the time that people needing public rented housing have to wait, the new allocations scheme will reduce the number of people we aim to house. To do this we will define much more narrowly the characteristics of those people whose needs could best be met by this type of housing. We also aim to lower the high expectations (and hence the high level of disappointment) of the thousands of people who currently bid on Locata with no chance of being offered a social rented property within the foreseeable future.

The main changes to achieve this are:

STOP	START	SEE
Giving priority to people who simply lack one bedroom or whose medical or welfare need to move is not severe.	Giving higher priority to people with school-age children who lack 2 or more bedrooms and for people with a severe medical or welfare need to move.	Separate document "Harrow Council's new Housing Allocations Scheme, Summary of the major changes from the old Lettings and Transfer scheme".
Allowing those with no priority ("no identified housing need") to bid for public rented housing.	Giving all applicants, including those with no priority, access to the Locata targeted housing options website in order to help them to resolve their housing issues (usually in private sector housing or shared ownership).	Examples of the advice (Screen shots at appendix A.)
Allowing everyone except ineligible foreign nationals and people with a history of serious anti social behaviour on to the register.	Prescribing new qualifications for joining the housing register – for example excluding people who do not live in Harrow and have no local connection.	Some other suggested options for qualification and exclusion are listed in section 2 below, together with the outcomes of the consultation at the third sector conference on 10/05/12.
Assessing new applicants under the old scheme from the implementation date. The date the old scheme ends to be agreed.	Applying the new scheme to new applicants, with a transition plan for those current housing applicants who will be disadvantaged by the changes, i.e. those who had band C priority for non-	The transition options are set out in section 3 below together with outcomes of the consultation at the third sector conference on 10/05/12.

	severe overcrowding, medical or welfare need.	
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2. Suggestions of applicants we could consider for exclusion from the register

Group proposed for exclusion	Third Sector Conference consultation	Views on Timescale
	Views from the table discussions	
<p>A. Those who live outside Harrow unless:</p> <p>a) Harrow Social Services has a responsibility for them or b) they accepted a qualifying offer within the last X years, or c) they are elderly social housing tenants who need sheltered accommodation in Harrow to receive support from family members and whose home borough will agree a reciprocal offer.</p>	<p>Tables 2 & 3 & 5: Agree.</p> <p>Table 1: Those who have been placed outside Harrow under homelessness temporary accommodation duties should be excepted.</p> <p>Table 4: Should be excepted if they have a strong connection to Harrow (e.g. lived a long time here before moving out).</p>	<p>10 years acceptable, 5 years a bit short.</p>
<p>B. Those with less than X years' residency in Harrow, e.g.</p> <p>Exclude applicants who do not fulfil at least one of the following criteria:</p> <p>a. Lived in the borough for the last 5 years b. Lived in the borough for 3 out of the last 5 years c. Lived in the borough for at least 5 years in the past d. Have close relatives living in the borough (parents, adult son or daughter, adult brother or sister) and have done so for at least the last 5 years e. Have worked in the borough for at least one year and the work is more than 16 hours a week and a permanent contract.</p>	<p>Table 1: Domestic violence cases should be excepted. People should be able to move from borough to borough – this is too harsh.</p> <p>Table 2: (b) prefer 2 out of the last 5 years.</p> <p>Table 3: (a) prefer 1 or 2 years to 5 years (proposal is anti-mobility); (c) and (d) don't agree; (e) agree.</p> <p>Table 4: Prefer this approach to the blanket one of excluding all non Harrow residents.</p> <p>Table 5: (a) and (e) agree.</p>	<p>1, 2 or 5 years residence or working</p>
<p>C. Those who have been found intentionally homeless by Harrow within the last X years, or who have lost temporary accommodation intentionally. (Individual circumstances such as ignorance of legal rights and vulnerability are taken into account when deciding if someone has made themselves intentionally homeless)</p>	<p>Tables 2 & 5: agree</p> <p>Table 3: vulnerable people can miss making a HB application – need to consider Children's Act implications.</p>	<p>2 years 5 years</p>

Group proposed for exclusion	Third Sector Conference consultation	Views on Timescale
	Views from the table discussions	
D. Those whose income and/or savings and assets are above the thresholds set out in the Allocations Scheme (these thresholds are similar to the income and savings requirements to qualify for shared ownership – see Appendix B).	Tables 1 & 3 & 5: agree Table 2: there isn't always shared ownership of the right size available. Table 4: agree subject to threshold being a reasonable one.	N.A.
E. Owner occupiers – exceptions would apply to elderly owner occupiers who need sheltered accommodation and whose home/assets were not of sufficient value to secure such accommodation privately	All tables agree.	N.A.
F. Those who owe the council more than £1,000 in rent, council tax or overpaid housing benefit, and who are not keeping to an agreement to repay that money.	Tables 4 & 5: agree Table 1: there are plenty of people who aren't wilfully withholding money but just can't afford to pay. Table 2: some people with mental health problems may have valid reasons for being in debt to the council. Table 3: don't agree, although if they do have such debts they should clear them before being allocated a property.	N.A.
G. Applicants who have been evicted from council, housing association or private rented property for rent arrears, illegal subletting or antisocial behaviour in the last X years. Exceptions maybe made if there is persuasive evidence that appropriate repayment arrangements have been made or evidence that behaviour has been amended and another tenancy has been successfully maintained.	All tables agree subject to exceptions as stated.	5 years
H. Those owed a homeless or other housing duty by another council.	Tables 1 & 2 & 5: agree Table 3: don't agree – why should they be treated any differently from any other homeless household? Table 4: agree subject to exceptions for DV & marginalised families.	N.A.

Group proposed for exclusion	Third Sector Conference consultation	Views on Timescale
	Views from the table discussions	
J. Tenants with a current right to buy application.	All tables agree	N.A
K. Those who previously benefitted from the right to buy in Harrow or elsewhere within the last X years, unless they are applying for supported housing.	Table 5: agree Table 4: agree but should be an exception for those who lost (rather than sold) their property. Table 1: Might have bought in good faith & lost for reasons beyond their control – shouldn't be a blanket exclusion. Table 2: "since 01/04/12" Table 3: don't agree – a vulnerable person may have been exploited while paying a mortgage, or taken bad advice.	10 years
L. Those who have wilfully done something within the last X years to deliberately increase their priority on the housing register, e.g. by disposing of their assets, moving to smaller property which results in severe overcrowding, causing overcrowding by moving in other friends or family members into their accommodation or becoming unemployed so as to lower their income.	Table 1 & 4 & 5: agree – shouldn't support people who cheat. Table 2: not sure. Table 3: need to remove subjectivity from the definition of "deliberately" (e.g. how can you say someone "wilfully" had another child?).	2 years
M. Those who disposed of, or deprived themselves of, an asset that they could reasonably have been expected to use to resolve their housing difficulties	All tables agree	2 years
N. Any other groups that should be excluded?	Table 1: those with convictions for civil disturbance in Harrow, or for housing fraud (as per draft Tenancy Strategy). Table 2: those with convictions for anti social behaviour. Table 4: People who have refused reasonable offers.	N.A

3. Options for transition

Five options for dealing with those whose priority for housing is reduced, or removed, were presented to the third sector conference. A sixth was proposed by one of the discussion groups.

Option	Name	Description	Table's comments
1	no transition	Start the new scheme immediately with no transition – all move off old scheme and on to the new from 01/02/13.	2nd choice of tables 1, 3 & 5 (“short, sharp shock, like Barnet”) Other comments: “people won’t have time to get used to it”.
2	dual banding for 2 years	Dual banding for a 2-year transition period allowing existing applicants to keep their current priority if higher than the new scheme (new applicants & those asking for reassessment only have new band).	1st choice of tables 2, 3 & 5 & 2nd choice of table 4 , although a 1-year period was favoured over 2 years. Other comments: “difficult for officers to run this – complicated & would encourage mistakes”.
3	dual banding for close-to-an-offer applicants	Those applicants currently close to obtaining an offer and would have their priority maintained until they are re-housed. The threshold would be different for each bedsize and property type.	1st choice of table 4 & 2nd choice of table 2. (“Important to keep priority of those close to an offer after years of waiting”). Other comments: “complicated & difficult to administer, leading to lots of appeals and adverse press coverage”
4	offer small quota of homes under old bands	At the start, allow existing applicants to choose if they want to move onto the new scheme. Those keeping their old priority would only be able to bid for the small quota. (On re-assessment move onto the new scheme)	Comments: “divisive”, “confusing & messy to manage”.
5	new scheme applied only to new applicants	The new scheme would only apply to new applicants, existing applicants on re-assessment & those with a higher priority under the new scheme. Everyone else would keep their old priority.	Comments: “Continues the problems with the old scheme & problematic to run 2 very different schemes for a long period”. “Will take longer to achieve the goals of the new policy”.
6	Delay new scheme	As option 1 but applicants warned that new scheme will apply to all from 01/01/14 (or some other delayed date)	1st choice of table 1 Other tables did not discuss this.

		to be decided). This idea proposed by table 1.	
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Summary of the debate on transition options

It was recognised by all groups that key to the success of the transition would be good quality, clear information through all media channels, stressing the improvements to the system and the reality of the housing crisis.


The broadest support was for option 2, but with a 1-year transition period rather than 2 years. Option 6 is a variation in that no-one would be banded under the new scheme until the delayed start date, when all would go on to the same scheme. It has the advantage of reducing the difficulties of administering and advising applicants on two very different schemes at the same time. The disadvantage is delaying the start of the benefits of the new scheme and re-housing households who have not been identified as having a high housing need whilst not speeding up re-housing for those now identified as having the greatest need.

The “short sharp shock” of option 1 also had some support, as did option 3, aimed at protecting those who have waited longest for an offer in band C.

Options 1, 2, and 3 give the fastest reduction in re-housing time for smaller households with the greatest need.

Options 4 and 5 received no support from any of the groups.

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Appendix B – Financial limits proposed in new allocations policy

The Council needs to decide whether to apply these limits either:

- (1) at the point of application to the register (i.e. in order to exclude altogether from the register those over the thresholds), or**
- (2) at the point of verification – i.e. initial assessment is based on housing need but if, at the point that the person comes up for an offer on Locata, they are found to be over the threshold, no offer will be confirmed, and the band will be reduced to D.**

Benchmark

If you have sufficient financial resources to resolve your own housing need, *[option 1] you will not qualify to join the housing register [or option 2] your priority on Locata will be band D*. The Council will not make an allocation where an applicant can afford a mortgage to buy a property by using their assets and income.

The Council will review the financial limits set at least every two years, to consider if they still apply, and will take into account any significant changes in: house prices in the borough, income level, the availability of affordable home ownership properties and private rents.

Assessment

All households applying for housing will be assessed for their ability to buy a property within the Borough. This will include applicants who have been accepted under homelessness legislation and to whom the authority owes a duty under sections 193(2) or 195(2). Assets that may be taken into consideration include but are not limited to savings, bonds, commercial property, residential property, property abroad and money apportioned through the proceeds of a divorce settlement. Other valuables owned (e.g. cars) may also be taken into account. Asset assessments will be conducted at the time of application and also before any offer of social housing is made.

Property owners

We will not make an allocation where any applicant owns a property that they can live in or where, if they sold it, they could afford to buy another property. If you own a property, or a share in a property, and the value of your share is greater than the savings limit, then you will be assessed as having sufficient financial resources. We may make exceptions to this rule in the case of vulnerable older people who have substantial or critical care needs.

If you own a share in a property but are unable to live there, for example, if your relationship has broken down, then we will assess your financial circumstances on the basis of the money that could reasonably be expected to be released if the property were sold.

In determining whether an applicant is eligible to receive an allocation, the Council will consider the following:

- Whether the applicant can sell their current home
- The expected equity after the proposed sale of the property
- The applicant's current financial circumstances and commitments
- Whether the applicant will be eligible for a mortgage
- The supply of accommodation suitable for the applicant's specific needs on the private market for either sale or rent,

- Whether the applicant's housing need can be met in the private market, taking into consideration the cost of housing in and outside of the Borough
- Whether adaptation of the present property is a viable option. Whether significant care and support needs would impact on the ability of the applicant to secure and maintain accommodation.

Where the Council agrees to assist a home owner with re-housing, the applicant must undertake to place their home on the open market immediately or rent it out through the Council's Help2Let service.

The financial limits applicable at 1 September 2012

Savings: Any applicant with savings over £16,000 (in line with HB cut off level) will not be eligible for social housing as they will be deemed to have enough financial resources to rent in the private sector. Deliberate disposal of assets in order to become eligible for an allocation will not be tolerated.

Income: Applicants with gross incomes (including notional income from capital assets) in line with or above the average income required for shared ownership* properties by bed size will not be offered social housing. This is because they are deemed to have sufficient financial resources to buy a property on a shared ownership scheme. The limits are as follows as at September 2012.

Maximum joint household income to qualify to join the housing register				
Bed size	Low end of shared ownership market	High end of shared ownership market	10% deposit	Maximum joint gross household income to qualify for public rented housing
1 bed	£160,000	£195,000	£4,000-£4,875	£35,000
2 bed	£210,000	£249,950	£5,250-£6,249	£45,000
3 bed	£280,000	£350,000	£7,000-£8,750	£55,000
4 bed	£395,000	£430,000	£9,875-£10,750	£70,000

NB: Those looking at a paper copy of this scheme, or at a summary, who are unsure whether their income is above the limit, should check the Allocations Scheme on the Harrow website to see whether the limits have been reviewed.

Intentional unemployment in order to become eligible for an allocation will not be tolerated.

* Shared ownership requires an absolute minimum income of £17,000, together with savings of at least £3,000 for legal fees and surveys etc. There is usually also a requirement to have at least 10% deposit in place for the value of the share to be purchased, so at least another £4,000 to £10,000 depending on the value of the property and the share on offer. Please contact the Council's Housing Enabling Team for more information, or visit the Low Cost Home Ownership page on the Harrow website at www.harrow.gov.uk.