



**London Borough of Hammersmith & Fulham**

**CABINET**

**8 APRIL 2013**

**HOME BUY ALLOCATION SCHEME**

**Report of the Cabinet Member for Housing – Councillor Andrew Johnson**

**Open Report**

**Classification:** For Decision

**Key Decision:** Yes

**Wards Affected:** All

**Accountable Executive Director:** Mel Barrett – Executive Director for Housing and Regeneration

**Report Author:**

Aaron Cahill, Temporary Project Officer (Policy)

Labab Lubab, H&F Home Buy Service Manager

**Contact Details:**

Tel: 020 8753 1649

E-mail:

[aaron.cahill@lbhf.gov.uk](mailto:aaron.cahill@lbhf.gov.uk)

Tel: 020 8753 4203

E-mail:

[labab.lubab@lbhf.gov.uk](mailto:labab.lubab@lbhf.gov.uk)

**1. EXECUTIVE SUMMARY**

- 1.1 The purpose of the report is to update the Council's approach to allocating homes for low cost home ownership and intermediate rent and align it with the Council's recently adopted Housing Allocation Scheme.

**2. RECOMMENDATION**

- 2.1 That the Home Buy Allocation Scheme as set out in Annex A to the report be adopted.

### **3. REASONS FOR DECISION**

- 3.1 The Council's Cabinet on 15 October 2012 agreed for adoption the Housing Strategy; Housing Allocation Scheme; Tenancy Strategy; and Homelessness Strategy. The final document that needs to be adopted is the Home Buy Allocation Scheme. This document as well as consolidating and updating policy and practice in respect of the administration of opportunities available under the current Home Buy approach, also provides a 'read-across' to the Housing Allocation Scheme in respect of allocations that might be made to Home Buy applicants in a Local Lettings Plans.
- 3.2 It should also be noted that the administration of the Mayor of London's 'First Steps' (to Home Ownership in London) approach is to change in April 2013. Whilst First Steps opportunities will continue to be advertised on the First Steps Website, rather than referring applicants to Sub Regional Home Buy agents, they will be directed either to the developer marketing the housing or the local authority concerned. Hammersmith & Fulham in principle is keen that all Home Buy opportunities available in the borough are channelled through its own Home Buy Team, hence the need for an up to date Home Buy Allocation Scheme that sets out the Council's requirements in a clear fashion.

### **4. INTRODUCTION AND BACKGROUND**

- 4.1 At the centre of the Council's *Building a Housing Ladder of Opportunity* approach is a sustained increase in the amount of affordable low cost home ownership opportunities (LCHO) that the Council is able to deliver. This can be achieved directly through its recently established local housing company and indirectly through its planning and strategic enabling housing roles.
- 4.2 Drawing on recently published 2011 Census Data, the total amount of stock in 2011 was 82,390. Of this number, shared ownership in the borough comprised 1.6% of the total housing stock in 2011, a rise from 0.9% in 2001. Despite this increase, the number of owner occupied households in the Borough between 2001 and 2011 has fallen by 13.6%.
- 4.3 The Council in its Local Plan Core Strategy anticipates a significant increase in housing growth during the next twenty years, derived primarily from its five regeneration opportunity areas. This is intended to be an opportunity by which the amount of intermediate housing and affordable rent housing can significantly grow in the borough. Having a well-developed and freshly updated suite of housing strategy documents (including the proposed Home Buy Allocation Scheme) will help facilitate the Council's housing growth ambitions.

## 5. PROPOSAL AND ISSUES

5.1 The proposed Home Buy Allocation Scheme is primarily a consolidation and updating of existing policy and practice. Two key changes relate to:

- Revised priority list for Home Buy applicants set out in Section 5.4 of Annex A, setting out the following priorities:
  1. Social tenants in either Council housing or Private Registered Provider housing (i.e., housing association) accommodation, where the Council will gain the nomination of the property vacated. This will include council tenants on 5 year flexible tenancies or housing association tenants on Assured or long Assured Shorthold Tenancies.
  1. Armed Services (and Ex Armed Services) personnel (as defined by First Steps London\*) living (or previously living as an adult) for twelve consecutive months in the borough
  3. Police officers living or working in the borough
  4. Homeless Working Households in Temporary Accommodation
  5. Disabled applicants (See Section 5.6-5.8 of the Scheme)
  6. Households living for twelve consecutive months in the borough
  7. Household working for twelve consecutive months in the borough
  8. Households living or working in the borough with an income within the relevant limit
  9. Households with an income above the levels specified in Section 6, expected to be mainly for resale of low cost home ownership products.

Note: Households will be prioritised in order of need for the type or bedroom size of the property and for family sized properties, households with a need will be prioritised. As a general principle, an applicant's household bedroom need will have more weight than that of an applicant who wishes to acquire a home that is above their household need.

\* First Steps London definition of eligible armed (and ex-armed) services personnel is as follows:

*To be considered a priority, armed forces personnel must have completed basic (phase 1) training and fall into one of the following categories:*

- *Regular service personnel (including Military Provost Guards Service in the Army, Navy, Air Force)*
- *Clinical staff (excluding doctors and dentists)*
- *MoD police officers*
- *Uniformed staff in the Defence Fire Service*
- *Ex-regular service personnel (who have served in the Armed Forces for a minimum of six years and can produce a Discharge certificate, or similar document). Applications must be within 12 months of discharge*
- *The surviving partners of regular service personnel who have died in service may be eligible to be prioritised where they apply within 12 months of the date of being bereaved*

*The following roles are prioritised for Intermediate Rent only:*

- *Full Time Reserve Service (Full Commitment)*
- *Individuals who have not completed basic training*

The current priorities for all categories can be found in Annex B of this report.

- Ensuring that the Council's approach to Local Lettings Plans is sufficiently, set out in Section 7 of the Scheme.

5.3 In exceptional circumstances, situations may arise where re-sale opportunity opportunities prove difficult to market to applicants on the Home Buy Register due to high cost or other factors. Where local marketing has been exhausted, the Council will retain discretion to take up requests from outside the borough.

5.4 Reference should also be made to the consolidation of existing policy and practice of seeking a range of affordably 'priced' Home Buy products that a range of households on medium to low incomes can afford, set out in Section 6.7 – 6.13 of the Scheme.

## **6. CONSULTATION**

6.1 The proposed Home Buy Allocation Scheme primarily represents an update and consolidation of existing policy and practice which is not currently located in one document. The document is not a statutory document and therefore not subject to a consultation requirement.

6.2 Specific changes and amendments that are proposed include making reference to flexible tenancies in respect of social housing tenants; refining the definition of armed services personnel (and ex-personnel) to reflect the Mayor of London's 'First Steps definition; introducing police officers as a priority group because of the important contribution they make to personal and community safety in the borough; introducing a '12 consecutive month' residency rule for applicants living

or working in the borough, whilst giving greater priority to the former over the latter. In addition, mention is made of Local Lettings Plans and the link with Housing Allocation Scheme policy to allow some Home Buy applicants to access affordable rented housing.

- 6.3 These are not changes that are considered to be significant enough to warrant the cost and resources associated with a full public consultation process. In addition, changes to the priority list can be made by the Executive Director for Housing & Regeneration in consultation with the Cabinet Member for Housing both under the proposed Scheme and the Priority List for the current Home Buy approach (See Annex B).

## 7. EQUALITY IMPLICATIONS

- 7.1 As previously stated, the Home Buy Allocation Scheme represents an update and consolidation of existing policy and practice. Areas of change centre on the priority list set out in Section 5 of this report which can be compared to the current list set out in Annex B to this report.

- 7.2 Reviewing the rationale for each of the categories and their order of numbered priority:

1. *Social tenants in either council housing or Private Registered Provider housing (i.e., housing association) accommodation, where the Council will gain the nomination of the vacated property vacated. This will include council tenants on 5 year flexible tenancies or 5 year housing association tenants on Assured or long Assured Shorthold Tenancies.*

Rationale: Social housing tenants under the current approach have joint top priority for Home Buy opportunities. This has been revised to reflect new 5 year flexible tenancies that the Council is now granting. The high priority for this cohort of need helps deliver a core element of the Council's *Building a Housing Ladder of Opportunity* agenda as it achieves the objective of enabling historically low income tenants being able to move into home ownership.

1. *Armed Services (and Ex Armed Services) personnel (as defined by First Steps London\*) living (or previously living as an adult) for twelve consecutive months in the borough*

Rationale: Armed Services and Ex Armed Services personnel under the current approach have joint top priority for Home Buy Opportunities. The definition of this cohort of need has been revised to reflect the Mayor of London's own 'First Steps'

definition. It also reflects the borough's continuing support for this cohort of need.

3. *Police officers living or working in the borough*

Rationale: This cohort of need is in effect a subset of the fifth priority under the current approach for key workers. The priority given to this group reflects the administration's continuing support for a group of workers responsible for maintaining public order, law enforcement and community safety.

4. *Homeless Working Households in Temporary Accommodation*

Rationale: This cohort of need is in effect third priority under the current approach. These will be households who the Council has accepted a duty to provide accommodation under current homelessness legislation who have been placed in currently designated temporary accommodation.

5. *Disabled applicants (See Section 5.6-5.8 of the Scheme)*

Rationale: This cohort of need is in effect fourth priority under the current approach. It should be noted that for Home Buy opportunities, disabled applicants who require wheelchair accessible housing are given top priority for this type of housing by default. Such housing will either be wheelchair adapted or capable of being adapted. People with other disabilities will still benefit from this additional priority above lower groups even if they are not wheelchair users

6. *Households living for twelve consecutive months in the borough*

Rationale: This is a new category replacing the 'key worker' category (as does the category below) which is fifth and seventh priority under the current approach. The 'key worker' agenda over time has been largely subsumed by a wider commitment to meeting the needs of working households who work and live in London. An additional residency qualifying requirement of 12 months has been added to restrict possible 'opportunistic' applications that may arise in the future given the administration's commitment to significantly increase the supply of low cost home ownership housing. The intention is also to give slightly greater priority to those who live in the borough over those who work in it.

7. *Household working for twelve consecutive months in the borough*

Rationale: As above, this is a new category replacing the 'key worker' category which is currently fifth and seventh under the current approach.

8. *Households living or working in the borough with an income within the relevant limit*

Rationale: This replaces in part the seventh priority under the current approach which provides an opportunity for applicants who do not meet the residency criteria described in Priorities 6 and 7 described above.

9. *Households with an income above the levels specified in Section 6, expected to be mainly for resale of low cost home ownership products.*

Rationale: This replaces the eighth priority under the current approach and is effectively a 'net' designed to ensure that the Council is able to nominate to Home Buy opportunities where the products concerned are not technically affordable.

7.3 Equality monitoring already takes place of who is on the current Home Buy Register and also who are successful in attaining Home Buy opportunities. Specific areas for monitoring will need to focus on whether the above mentioned changes in priority do lead to any significant changes in equality outcomes. It is not a 'given' that the current approach is necessarily equitable and ideally Home Buy allocations should broadly reflect the profile of the borough's residents. Officers are undertaking an analysis of what categories of 'key workers' have benefitted from home Buy opportunities and whether any negative equality outcomes might arise and need to be mitigated in some way. As set out in Section 6.3, the Executive Director for Regeneration in consultation with the Cabinet Member for Housing have authority to change the priority list which represents a simple and effective tool to achieve any changes considered necessary that arise from operation of the new approach.

7.4 Likely equality impacts that arise from the Local Lettings Plans have been considered during the Housing Strategy exercise considered at the 15 October 2012 meeting of Cabinet.

## **8. LEGAL IMPLICATIONS**

- 8.1 There are no direct legal implications arising from this report which is primarily a consolidation and updating of existing policies and procedures as a result of the new Housing Allocation Scheme.
- 8.2 Implications verified/completed by: Janette Mullins, Head of Litigation, 0208 753 2744.

## **9. FINANCIAL AND RESOURCES IMPLICATIONS**

- 9.1 There are no financial implications arising from this report.
- 9.2 Implications verified/completed by: Kathleen Corbett, Director of Finance and Resources, 0208 753 3031.

## **10. RISK MANAGEMENT**

- 10.1 This report seeks to consolidate and update current policy and practice in relation to the operation of the Council's approach to Home Buy, which is essentially the Council's marketing of low cost home ownership and intermediate rent products available in the borough. It also seeks to align the Council's approach to the low cost home ownership agenda with that set out in the Housing Allocation Scheme adopted by the Cabinet in October 2012.
- 10.2 The new Scheme brings together the various strategy and policy strands associated with this agenda which is to be welcomed. The impact of the changes proposed in policy and practice in administrative terms are relatively small. The risks associated with adopting the new Home Buy Allocation Scheme are therefore considered to be low.
- 10.3 Implications verified/completed by: (Michael Sloniowski, Head of Risk Management, 020 8753 2587

## **11. PROCUREMENT AND IT STRATEGY IMPLICATIONS**

- 11.1 Not applicable.



**LOCAL GOVERNMENT ACT 2000**

**LIST OF BACKGROUND PAPERS USED IN PREPARING THIS REPORT**

<b>No.</b>	<b>Description of Background Papers</b>	<b>Name/Ext of holder of file/copy</b>	<b>Department/ Location</b>
	None, apart from published reports.		