

Swindon Council Housing Allocations: the case of the £75,000 a year straw man

"Do you think somebody on £75,000 a year should get a Council house?"

The question came from a Council Officer trying to justify turning Council housing into a means-tested tenure. Council Housing has never been means-tested. Currently applicants to the Housing List are not asked what their income is. However, as we shall see, the criteria for giving tenancies these days are such that anybody who is very well off would not stand much of a chance of gaining a tenancy, even in the unlikely event that they applied.

So what's the answer to the question? The 'common sense' response would be 'no'. Obviously somebody earning that much would be able to buy a home. Yet you have to ask the question would somebody on £75,000 a year want a Council house, never mind be given one? No, this spectral applicant on the waiting list is **a straw man**. It's a trick question. Answer 'no' to it and it implies acceptance of introducing a means-test. Necessarily the question then follows where should the threshold be set? How much income is 'too much'? This is no easy question to answer. Originally the Council was proposing a level of £38,000 a year, yet it had to rethink the issue. Even though they have started the consultation on changes to the Allocations Policy they haven't even finalised where to set these thresholds which would have to be different according to the type of property, be it a flat or a house and varying numbers of bedrooms.

Think about it for a minute and the very idea that somebody on £75,000 a year would apply for a Council house is absurd. For 30 years we have witnessed the systematic stigmatisation of Council housing and Council tenants. We even have TV programmes showing the neighbours from hell, the feckless and the work-shy. The message has been given out that if you are a Council tenant you are a 'failure', that Council estates are terrible places to live. Why would this big earner want a Council home?

Even if by some freak of a chance, you could find somebody on £75,000 who did apply, what would be their chances of getting a tenancy be? As we shall see, it would virtually be impossible.

We'll come back to this straw man in a minute, but first, instead of looking at a would-be Council tenant earning a small fortune, let's start to examine the question by looking at **real** tenants. Generally speaking 'social housing' tenants are poor. Why? Because of the acute shortage of available homes and because of the criteria for handing out tenancies. We'll use the evidence of the government's own statistics. If you look at the latest English Housing Survey you can see an estimate of the level of *household* income of tenants; the "household reference person" *and* their partner. Nearly 49% of 'social tenant' households have an annual income of less than £15,000. Nearly 72% have less than £20,000, 91% have less than £30,000. Another 6% are estimated to have over £30,000 but less than £40,000.

The government's own somewhat dubious estimate of high earners in social housing has

been scaled back. When they first put forward the policy 'pay to stay'¹, they said that anything between 12,000 and 34,000 'social housing' households had an income of more than £60,000. This estimate was later amended to 11,000 to 21,000. Consider what proportion this is of 'social tenants'. The latest English Housing Survey shows 3,808,000 'social housing' households. The lower figure would mean roughly 1 in 400 or in the case of the higher figure 1 in 200. In Swindon that would translate to between 25 and 50 tenant households across our stock. Means-testing all tenants to find such a tiny number of people would be very expensive and time-consuming for Council staff.

Prior to the government's latest piece of legislation Council housing was never means-tested. However, Councils are now introducing new fixed term tenancies with varying earnings thresholds². Swindon is proposing this. They can of course, stop people earning above the threshold getting onto the Housing List, a simple process. But if they apply a threshold then they have to police tenants to see if any of them cross that line should their earnings increase. It's an onerous job for the staff and in the case of Swindon, given the turnover of tenancies each year, if a threshold is introduced they would have to review 5,000 of their households within around 10 years. This will cost money and staff time, yet the Council has not even assessed how much it will cost. More moves will cost the Council money in lost rent. Frankly it would be a waste of time and effort.

Now let's return to our would-be tenant who doesn't want to buy a house despite being able to afford one, but is desperate to become a Council tenant. Maybe he's a miser. At any rate, he/she goes on the list. What are his/her chances? The basis on which applicants are judged as needing or not needing accommodation is a system called 'reasonable preference'. Swindon's version of this lays out the following current criteria. Firstly for Band A, people who are judged to be 'in urgent need' of accommodation, these are the criteria.

Band A: 'in urgent need'

➤ **Medical priority.**

Medical priority is investigated and awarded by the Housing Needs Team where a person's medical condition is *made worse by their accommodation*; or it could be that the medical condition of another person within the applicant's household is *made worse by the housing situation*. *It is not given merely to recognise a medical condition.* (Our emphasis)

➤ **Statutory overcrowding**

The application will need to be supported by Environmental Health Officers. ALL rooms considered suitable for sleeping purposes (*not just bedrooms*) will be taken into account. Alternative sleeping arrangements may be suggested to the occupants, which would alleviate statutory overcrowding.

- 1 Councils can if they wish charge a higher rent for existing tenants who have a household income of over £60,000 a year. Ironically, if implemented this would mean that existing tenants could keep their tenancy, albeit with a rent up to a private market level, whereas new tenants earning much less than this will be forced to leave their homes. Of course, anybody earning this much money and told they will have to pay a near-market or market level rent is likely to take up 'right to buy', which will be cheaper.
- 2 There will be different figures for types of property, flats, or houses, and different bedroom numbers. We haven't been told what the levels will be as yet.

➤ **Serious hazardous properties**

The application will need to be supported by Environmental Health Officers where in their view, there is *an immediate risk* posed by these hazards and they consider it is unreasonable for the occupants to remain in the accommodation. The Council's Residential Services Team will where appropriate take formal action to reduce the level of hazard posed to the occupant.

➤ **Transfers.** This applies to tenants of Swindon Borough Council and assured tenants of Registered Social Landlords in Swindon. Where larger accommodation is released the transfer applicant can be put on Band A.

As you can see it's no easy thing to get onto Band A. Only 37 households on the Waiting list were on Band A in July of this year. Another 362 were on Band A on the Transfer List, but these are already tenants of the Council or local Housing Associations who might, for instance, be living in over-crowded homes.

Band B: 'in need'

➤ **Hazardous properties**

Where a property in Swindon has been declared hazardous by the Council's Residential Services Team. The application will need to be supported by Environmental Health Officers where in their view these Category 1 hazards pose a *serious risk* to the occupants.

➤ **Applicants accepted as homeless**

Those accepted as homeless under the Housing Act 1996 and Homelessness Act 2002 by the Council and placed in any temporary accommodation including hostel, bed and breakfast, private lets, Council and housing association accommodation.

➤ **Medical Priority B**

The Housing Needs Team award a Medical Priority B, granted where an applicant's or member of the household's current housing conditions are having a **major adverse effect** on their medical condition;

➤ **All Other Groups**

All applicants occupying accommodation in the **Swindon area** where facilities are shared with others not included in their housing application.

Tenants of Swindon Borough Council, Registered Social Landlords and Private Landlords residing in Swindon who occupy a property where they are lacking one or more bedroom and or are sharing facilities with others **not included** in their housing application.

Tenants of Swindon Borough Council and Registered Social Landlords who are secure tenants or assured tenants where they are releasing a 3 bedroom or larger property which they are under-occupying but are still requesting a 2 bedroom property.

Gypsy and traveller applicants who reside on residential sites within the borough of Swindon.

Band C: 'in low need'

Everybody else on the waiting list who does not fit within these 'reasonable preference' groups is placed on Band C.

Which Band for the £75,000 a year applicant?

So where would our £75,000 a year applicant sit in relation to these criteria. It's difficult to see him/her renting a property which is a threat to their health. Even if they were living in a property with insufficient bedrooms (hard to imagine on 75 grand), as you can see from the above, other rooms are taken into account, where somebody might sleep. In reality such a rare or mythical person would go onto Band C, 'in low need'. The chances of anybody on Band C being given a tenancy are very slim. There are two exceptions where a very few people on that Band might get a tenancy; sheltered accommodation and some flats in areas which have a 'bad reputation' or are 'hard to let'.

In reality we can put the £75,000 straw man to bed in his good quality private rented accommodation or more likely the house that he is buying with a mortgage.

Too many poor tenants

Historically Council housing was never simply housing for the poor. In fact, before the deregulation of private rented accommodation in the late 1950's, private rent was generally cheaper than Council rents. Council tenants comprised a cross section of working people, from the factory worker to the office worker, the teacher or the nurse. Skilled workers formed a large proportion of the tenant population. It was only with the introduction of 'right to buy' and the virtual end of Council house building that the social composition of Council housing changed significantly. We don't have too many well-off tenants we have too many poor tenants. The level of poverty is reflected by the fact that around two thirds of tenants are on housing benefit and this includes low paid workers. The DWP statistics released in February of this year show 10,092 'social housing' households in Swindon in receipt of housing benefit, out of 14,848. Turning Council housing into a means-tested tenure will do nothing to address this fact.

The reason for the concentration of people who are poor and disadvantaged is the 'acute social housing shortage' to use MP Robert Buckland's phrase. There are many myths about the low level of economic activity amongst 'social tenants', presented in much of the mass media as feckless and work-shy. But look at the social composition of these tenants and you can begin to see the real as opposed to imagined picture. For a start 32% of Council households are comprised of retired tenants. Those aged over 65 comprise 27% and those 55-64 make up another 18%. So 45% of households have tenants over 55.

Unemployment is a little bit higher than for the population at large, at 11%. This probably reflects the higher age profile and the difficulties of people over 55 getting work, especially if they have health issues. The economically inactive population other than pensioners is 22%. However, this includes disabled people and those with long term health issues. The high numbers of disabled people in 'social housing' are reflected in the fact that two thirds of those households affected by the 'bedroom tax' have at least one disabled member of

the household. The figures are from the English Households Report for 2011-12.

The way to tackle the housing shortage we face is to begin an annual Council house building programme. Instead of throwing 7,500 families off of the Housing List³ the way to cut the numbers is to cut the housing shortage. Swindon Council has the resources to begin this, even if not on the scale that is necessary. We need a change of policy at the national level. But in the meantime Swindon can start building again. It's resources, financial and human, should be concentrated on increasing and improving the stock at its disposal rather than wasting them on searching for well-off people who supposedly want to become Council tenants.

Martin Wicks
October 28th 2013

³ The Council is proposing to remove Band C from the Housing list. See
<http://keepourcouncilhomes.wordpress.com/2013/10/24/swindon-council-allocations-policy-tell-the-council-to-keep-secure-tenancies-for-a-tenants/>