

JOHN MEDWAY ON HOUSING ALLOCATION

Letting the unlettable

A considerable amount of housing stock seems to be lying empty in London because councils think it cannot be let. In this article, the first of two, John Medway blames the situation on obsolete allocation systems. Next week's article will describe a possible new approach.

For some years local authorities have been finding that their dwellings are becoming increasingly difficult to let. Most people involved with local authority housing in Inner London will have tales of people living in the most appalling conditions and yet turning down two or more offers of sound council accommodation.

Most lettings officers will know of good dwellings that have been offered and refused eight or nine times. Consequently, even in areas of considerable housing stress, properties lie empty for amazingly long periods between lettings.

One likely explanation for this paradox is well known to housing officers. Applicants know when they receive their first offer that they have joined a very select band of people who are eligible for rehousing. Some council dwellings are much more desirable than others, and an applicant may feel (perhaps rightly in some cases) that he has little to lose by refusing his first offer and holding out for something better. The allocation system effectively isolates him from the pressure of the thousands still waiting for the chance of a decent home.

Councils have tended to respond to this situation by thinking of certain types of property as unlettable in its existing condition. In recent years councils have emptied sound but unpopular blocks of flats on their inter-war estates in order to give them thorough facelifts. Some physically sound but stigmatised blocks, such as Lambeth's infamous Louise Court, have been demolished and the land left idle.

Properties acquired by councils on the open market have been left vacant for months and sometimes years pending rehabilitation. It is routine in some authorities to redecorate a property between lettings, thereby keeping it vacant for several weeks longer than would otherwise be necessary.

The effect of all this has been to reduce very considerably the amount of property available for use at a time when, despite the continuing exodus of population,

John Medway is research and intelligence officer in the housing department, Southwark LBC, and is a former member of Lambeth LBC. The views expressed are his own and do not necessarily reflect the views of Southwark council.

housing conditions in the inner area remain appalling.

There is now an increasing recognition among London councils that one major cause of this distressing wastage of housing stock is the obsolete method they use to allocate property. The systems in use were designed at a time when there was a very serious overall shortage of housing in Inner London.

Using GLC sources and definitions, we find that even at the time of the 1971 Census the number of households in the Group A (mainly Inner London) boroughs (about 1,166,000) exceeded the number of dwellings by about 132,000 (13 per cent). Between then and the end of 1973 the number of dwellings appears to have risen by about 17,000, while by mid-1976 the number of households is expected, on the basis of recent trends, to have dropped by about 100,000. Thus, if recent trends have continued, Inner London should now be moving from a state of housing deficit to one of modest surplus.

Varying situation

It will, of course, be some years before the surplus is adequate to allow for necessary renewal, rehabilitation and movement, while still providing a home for every household. Moreover, there still appears to be enormous variation of surplus and deficit between individual boroughs. Lambeth and Haringey, for instance, would appear to have continuing severe deficits, while Westminster and Tower Hamlets appear to be developing very comfortable surpluses.

Even in boroughs that now appear to be enjoying surpluses housing problems continue. This is partly because the state of the housing stock leaves much to be desired, but also because the number of empty properties appears to be increasing.

In the absence of reliable data (to be rectified, one hopes, in the next edition of the Annual Abstract of Greater London Statistics) I would guess that a rise in vacancy rates has very substantially offset the benefits of population decline and that, while much of this rise has been in the private sector, the wastage of housing stock in the public sector is also unacceptable.

It is not surprising that an approach to allocation formulated at a time of very severe housing shortage should prove inadequate now in those parts of London where the crude shortage has been all but eliminated. Nor is it surprising that a do-it-yourself allocation system, known as squatting, should have developed in parallel with the official systems.

And so a debate—to which these articles are a contribution—is now going on about what exactly is wrong with the old approach to allocation and about what should replace it.

In the present context, the traditional approach to allocation seems to me to be defective in three ways. First, it is over-restrictive. Many boroughs still apply residential qualifications that debar people who have not lived in London for three or even five years and who have not lived for a year in the borough in question. In spite of the rapid disappearance of the private rented sector single people and newcomers to London are hardly catered for at all by the public sector (discounting some recent GLC initiatives). And yet these are the people most willing and able to make use of the 'unlettable' housing stock.

Worse still, apart from the GLC nomination scheme, there seems to be no effective system for evening out the housing shortage between boroughs; boroughs with the worst deficits lie adjacent to boroughs which now appear to be in surplus.

Second, the traditional approach is over-paternalistic. The individual applicant is left with few decisions he can make himself about his future home. Once details of his needs and preferences are recorded, he is generally expected to sit back and let the allocation process run its course.

There do not, for instance, appear to be formal arrangements whereby he can be offered early rehousing in return for acceptance of inferior property. Decisions about who gets what and when are generally taken by council officers in private.

The applicant's expectations of the standard of property to which he is entitled may be very different from the assessment of the allocations officer; the policies governing the allocation of property of different standards are not made public, and so the applicant simply does not know where he stands. His time for decision is after he has been offered a property, and his refusal, caused by his unrealistic expectations, will cost the authority a delay of a week or more in letting the property.

Third, the system is cumbersome. The process of matching individual applicants to individual properties is time-consuming and expensive. Computerisation of the process offers some worthwhile benefits, but in my view it is also necessary to introduce some formalised do-it-yourself allocation system—the 'Property Supermarket' which I shall describe in next week's article—to take some of the load off the system of individual matching.

According to need

The traditional system, while defective in these three ways, is based on the laudable aim of allocating according to need. This philosophy is adequate for deciding who should have access to council housing, but it does not help us decide who should have brand-new property as opposed to

sound but unpopular inter-war property. Council property can range in standard from the architect-designed, centrally heated town house to the fifth-floor nineteenth-century tenement acquired with a view to demolition at some unspecified time in the future.

Given the low rent policies pursued by many councils in Inner London, rent differentials do not provide an adequate incentive for applicants to accept low-standard accommodation; nor should they, as this would exacerbate the process of social polarisation and the formation of low-income ghettos. I hope to show that an allocation system can be designed to reward the applicant who opts for low-grade property.

The reward I have in mind is early access to council housing. What I am advocating is a clearly defined system whereby the less desirable the property, the wider the range of people who would have a chance of occupying it.

In practice something like this happens already. The best property that councils have available tends to be allocated, almost exclusively in some boroughs, to households decanted from redevelopment areas and major rehabilitation schemes. At the other end of the scale are the short-life properties occupied by formerly homeless families and by recognised squatters. But the system is not clearly defined, and these latter groups are somehow considered to be outside it. If they were 'within the system', they would be thought of as queue-jumpers.

Over-restrictive systems

It is at the bottom end of the scale that the need for an overhaul in the allocation system is most obvious. I am convinced that there is a vast amount of property lying empty in London not because nobody wants it, but because the people who want it are prevented from having it by the over-restrictive allocation systems now in force.

Indeed, if the current allocation systems had been designed in the circumstances that prevail today, one would conclude that councils think it better that a property lie empty or be demolished than that it be occupied by someone who is single, childless or a newcomer to London.

There are, however, genuine reasons why an *uncontrolled* liberalisation of allocation for low-grade property cannot yet take place. Some of it is, rightly, programmed for demolition to make way for comprehensive redevelopment. Some is ripe for 'lateral conversion' (linking of two or more houses for conversion into three or four flats). People allocated to such properties must eventually be turned out or offered alternative accommodation.

In some cases, therefore, councils will wish to allocate on the basis that they do not accept long-term responsibility for the housing of particular applicants. It must be accepted that there will be a variety of

tenure arrangements, with some short-life property 'licensed' rather than 'let'. But the establishment of a variety of tenure arrangements does not preclude the use of a unified allocation system.

Some degree of liberalisation is clearly required, and because of the amount of vacant property available it should be possible to achieve this without reducing the housing opportunities for the councils' traditional clientèle. The problem is: how?

The solution I am putting forward—and which I shall describe next week—is a unified allocation system covering the people who are catered for under the

existing procedures, together with childless couples, single people, groups of single people, newcomers to London and the people who are currently treated as 'homeless families'.

Notes

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Figures on households are from Research Memorandum 456, *Household projections for Greater London and the London boroughs 1975*, GLC Intelligence Unit, 1975.

Points of view

AMA

Will devolution be fair to England?

A number of questions spring to the minds of English nationalists about the Government's devolution proposals for Wales and Scotland, says *Municipal Review*, the journal of the Association of Metropolitan Authorities, in its January issue.

'What is not at all clear is just how these proposals will influence the Government's attitude to English regionalism. A section in the White Paper on England was taken out prior to publication because it was felt more appropriate for Mr Crosland and Mr Short to produce a joint consultative document . . .', says the journal.

'Mr Short has been specific about the Government's open mind on England and there will be, he says, no proposals in the consultation document . . .

'Be that as it may . . . is it right that the health and water services, whose reorganisation causes so much anguish in local government, should be devolved to democratic control in Scotland and Wales alone? Will not some of the English regions, notably those with economic problems that are centred on our great metropolitan areas, feel that the political pendulum is unduly weighted towards Scotland and Wales, despite Mr Short's contention that the purpose of devolution is *not* to make more resources available? And is it right for there to be some freedom over standards and policies in local government services in some UK regions and not in others?

'On representation, too, there are searching questions to be asked. For example, can it be just that Scotland and Wales can control their own affairs and also have an oversight over English matters through their Scottish and Welsh MPs at Westminster, while English MPs have no corresponding say over Scottish and Welsh business in the Assemblies?

'One of the consequences of devolution which will surely not appeal to local

government is that more general powers will accrue to Ministers. Mr Short spoke seriously at his press conference (to introduce the White Paper) about more executive action having to be taken by orders because of the congestion in Parliament'.

ADC

Proceeding cautiously on community land

In the present grave economic situation the Government could not have chosen a worse time to introduce its community land scheme, says *District Councils Review*, the journal of the Association of District Councils, in its January issue.

'It remains to be seen what resources they are prepared to put into the scheme in the immediate future but if, as the Chancellor of the Exchequer intends, public expenditure as a whole is to be substantially reduced in 1976/77, the money for the community land programme will be very difficult to find from elsewhere in the public sector . . .

'Much remains to be discussed and settled in the months ahead and, as the transitional scheme is to be brought in at the beginning of April, time is not on the side of the local authorities . . .

'Local government will as always rise to the occasion, but authorities will surely have at the back of their minds the statement by Timothy Raison MP, the Opposition spokesman on the environment, who, in the closing stages of the Bill, reiterated his party's intention to repeal this measure while retaining some means of taxing development gains.

'Inevitably, local authorities must work in the Parliamentary political context, but they can hardly be blamed for proceeding cautiously with this controversial issue which has all the signs of becoming another political football'.

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An overhaul of the council housing allocation system—a liberalisation of present procedures—is clearly required, as I argued last week. And because of the amount of vacant property available it should be possible to achieve this without reducing the housing opportunities for the councils' traditional clientèle. The problem is: how?

The solution I am putting forward is a unified allocation system covering the

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people who are catered for under the existing procedures, together with childless couples, single people, groups of single people, newcomers to London and the people who are currently treated as 'homeless families'.

The proposed system has four main components:

(1) the grading of property according to popularity or expected popularity;

(2) the categorisation of applicants according to clearly defined and publicly known criteria;

(3) a 'ladder of accommodation'—in other words, the principle that existing council tenants are given some measure of advantage over new applicants in the competition for more popular property, so that the applicant opting for early rehousing in unpopular property has a chance eventually of moving to better accommodation;

(4) the introduction of a do-it-yourself allocation procedure—a 'property supermarket'—to supplement the existing procedures of individual matching.

The property supermarket could be considered the housing equivalent of the

Department of Employment's job centres. A number of properties of each grade would be kept out of the system of individual matching, and instead details of them would be displayed at the appropriate local housing office, where keys to the properties would also be kept.

Applicants in particular categories would be told that they were eligible to select particular grades of property and would be able to call at the local office to see what was available. An applicant would be allowed to view a property on condition that he returned the key before, say, 10 am the following day. The property would be allocated to the first eligible applicant that offered to take it. The property supermarket would be used mainly for the lower grades of property, and it should achieve much quicker allocation, with a smaller input of paid manpower, than is possible with individual matching.

The supermarket would also serve another purpose. It would enable an applicant to gain a clear idea of the standard of property to which he was entitled under the allocation system; and, even if he waited to be individually matched, the chances of his first offer proving a disappointment would be very much reduced.

The grading of property would be carried out simply on the basis of expected popularity. It would probably be performed at the local housing office and would be

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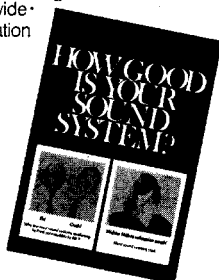
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carried out not according to standard criteria, but by the experience and intuition of a particular officer. Records would be kept of the time taken to let particular properties, so that initial errors could be corrected and a fund of experience built up. An individual property proving difficult to let could simply be downgraded and hence made available to a wider range of people.

Grading would have to be done subtly. For instance, an estate might prove unpopular for families but popular for people without children. In such a situation, the large dwellings on the estate might be given a 'B' grading and the small dwellings an 'A' grading. Also gradings might have to change as the number of applicants in different categories changed. The manipulation of gradings would therefore be the principal means of maintaining an appropriate balance between supply and demand.

Clearly defined criteria

The categorisation of applicants, on the other hand, would be an almost mechanical process based on clearly defined criteria. The criteria would be along lines such as:

(1) whether or not the rehousing of the applicant was necessary in order to allow some form of action by the authority; examples would be decanting from redevelopment areas and transfers to prevent under-occupation;

(2) the degree of housing need of the applicant, ie the suitability of the applicant's present home, the state of health of the applicant's family;

(3) whether or not the applicant was a newcomer to London or to the borough in question; residential qualifications as such would be abolished, but some degree of priority for existing residents over newcomers could be given;

(4) whether or not the applicant was engaged in work essential to the functioning of London; the importance of his living near his work;

(5) whether or not the applicant was an existing council tenant (it is important to grant existing council tenants some priority over others, so that, if they opt for low-grade property initially, they stand a chance of obtaining high-grade property later);

(6) length of time the application has been recorded.

The scheme set out here differs from most existing points schemes in a number of respects. Points are awarded for being an essential worker. In view of the difficulties of defining an essential worker I would be inclined to make the definition very broad and the degree of priority awarded fairly low. An adjustment could be made if a serious manning crisis appeared in a particular service, as happened in secondary education during 1973-74.

Points are also awarded in this scheme for having lived in London and in the borough in question for a given period. By arrangement between the boroughs the degree of weighting awarded for being an

existing resident would vary according to the degree of housing stress within the borough. Thus this element of the points scheme could be used to encourage applicants to settle in boroughs with low housing stress.

Applicants would be divided up, according to points awarded, into a number of categories. If the number of categories were six, the make-up of the categories might look something like this:

| Category | Type of applicant |
|----------|---|
| 1 | Mainly decants for redevelopment or conversion. |
| 2 | Mainly long-standing council tenants wanting transfer (NB: Allocation to these people makes other property available further down the 'ladder of accommodation'). |
| 3 | Applicants in severe housing stress (overcrowding, lacking standard amenities etc). |
| 4 | Applicants mainly in moderate housing stress; some essential workers. |
| 5 | Other applicants of long-standing residence in London or in essential jobs. |
| 6 | Other applicants not of long-standing residence in London. |

A six-grade matching scheme might look something like this:

| Property grade | Categories of applicant eligible for allocation | | | |
|----------------|---|------------|-------------------------|------------|
| | by individual matching | | by property supermarket | |
| | % | Categories | % | Categories |
| A | 80 | 1 | 20 | 1, 2 |
| B | 60 | 1, 2 | 40 | 1-3 |
| C | 50 | 1-3 | 50 | 1-4 |
| D | 40 | 1-4 | 60 | 1-5 |
| E | 40 | 1-5 | 60 | 1-6 |

In this scheme a small proportion of the most popular properties are allocated through the property supermarket, whereas the majority (60 per cent) of the least popular dwellings would be allocated by this method. The remaining 40 per cent would be kept for emergency use by individual matching. Thus 'homelessness' is not treated as a problem separate from general housing need.

As can be seen from the table, an applicant in Category 3 would have a right to allocation to a Grade C property. However, by using the property supermarket he could, with a little effort, obtain a Grade B property. Alternatively he could waive his right to a Grade C property and opt instead for Grade D. If he did this, he would have priority over Category 4 applicants and would therefore be housed much more quickly than if he had retained his right to a Grade C property.

Thus, compared with present systems, a substantial amount of choice is given to the applicant, while a great deal of the tedious and expensive work of matching applicants to properties is by-passed.

Of course, grading of property and categorisation of applicants happen already. They are, however, done informally and in

confidence. The applicant does not always have a clear idea of where he stands, and often his expectations are unrealistic. He may therefore feel insulted by the offer of a lower-grade property.

An important advantage of the proposed scheme is that it is all above board—though it might be argued that the retention of individual matching for most of the more popular properties gives some continuing scope for allocation according to the 'standard' of the applicant.

In the main, by knowing what category he is in and knowing, through the property supermarket, what sort of properties are available to him, the applicant immunises himself against later disappointment. In the long run, therefore, the scheme should make for more satisfied tenants.

The benefits

If the scheme is successful in cutting down the periods for which properties are vacant, then benefits can be realised either as a reduction of the percentage of property vacant at any one time, thereby allowing more people access to council housing, or as an increase in the number of transfers that are possible. However, the main advantage of the scheme is that it would drastically cut down the number of properties that councils consider unlettable.

Squatters have demonstrated very forcefully that the traditional local authority notion of what is uninhabitable is very different from the notion entertained by people seeking homes. Old tenements and unimproved, old terrace houses may not be acceptable to people who think they are eligible for a brand new council flat; but for many young couples, single people and groups of single people any dwelling is better than none.

Many of these are people for whom the councils would eventually accept responsibility under the present rules. Of the rest many are likely to be people who are essential to the functioning of London. Many would be accustomed to paying exorbitant rents to landlords of furnished property and might therefore be willing to pay in rent rather more than the historic cost of the dwelling which would, in many cases, be very low.

And so, by allowing freer access to council housing through this scheme, councils could in effect be adding to their available housing stock at less than no cost to themselves and to everybody's advantage.

Notes

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