

ALLOCATING MKC PROPERTIES IN RURAL AREAS

1. Background

- 1.1 The Borough of Milton Keynes can be divided into two parts: the Designated Area of the New Town, and the "Rest of the Borough". Overall, there are around 100 settlements in the Borough of Milton Keynes.
- 1.2 Within the Designated Area, there are a variety of settlements. These range from:
 - (a) Large towns such as Bletchley with over 14,000 dwellings and over 36,000 people;
 - (b) Smaller towns such as Stony Stratford with over 2,500 dwellings and around 5,160 people;
 - (c) Villages such as Shenley Brook End which have since been incorporated into larger "grid squares" but which still have a clear identity;
 - (d) Wholly "new" grid squares such as Netherfield
- 1.3 The rest of the Borough is predominantly rural. It consists of just under 30 settlements ranging from:
 - (a) Small towns (such as Olney with around 2,500 dwellings and 5,000 people);
 - (b) Large villages (such as Hanslope with around 930 dwellings and 2,200 people);
 - (c) Small villages (such as Chicheley with around 50 dwellings and 130 people).
- 1.4 Milton Keynes Council's own population estimate for the year 2001 is 212,810 people within the whole Borough. Of these, 175,270 live in the 'Designated Area' (DA) of the New Town, and 37,550 people who live outside.
- 1.5 The town of Newport Pagnell is outside the DA. For this briefing note, Newport Pagnell is considered to be in the "rural area". However, Newport Pagnell has around 6,000 dwellings and 14,000 people. This falls outside the Government's definition of a rural settlement of 3,000 people that is used in planning policies.

2. **MKC Stock in the Rural Area**

2.1 In the Rural Area, there are around 14,000 dwellings. Milton Keynes Council owns around 1100 of these (just under 8%). Interestingly, all of these properties are rented. This is because:

- (a) The former Milton Keynes Development Corporation built the public sector shared ownership stock in Milton Keynes in the 1980's. Consequently, this stock is concentrated in the DA
- (b) The Wolverton, Newport Pagnell and Bletchley Rural and Urban District Councils built council dwellings mainly in the period 1945-1964. This was prior to local government reorganisation in 1974. Birmingham City Council only formed shared ownership in the 1970's.

2.2 The Council's stock holdings are more significant in some areas than others. For example, the Council owns around 13 of the 51 dwellings in Chicheley, which at 25% is a high percentage.

2.3 The properties vary but fall roughly into the following categories:

- (a) Sheltered housing flats (in Newport Pagnell, Woburn Sands and Olney)
- (b) Bungalows for older people (again anecdotally, built for retiring agricultural workers);
- (c) Family housing (anecdotally built for agricultural workers who needed to be close to their place of employment);

3. **The Government's Policy**

3.1 Government policies on rural issues were outlined in the White Paper published in November 2000 ("Our Countryside: The Future – A Fair Deal for Rural England"). The Paper sets out the following vision:

3.2 *"The Government's vision of the countryside is one of:*

- *a living countryside, with thriving local communities and access to high quality public services;*
- *a working countryside, with a diverse economy giving high and stable levels of employment;*
- *a protected countryside in which the environment is sustained and enhanced, and which all can enjoy;*
- *a vibrant countryside which can shape its own future, with its voice heard by Government at local levels."*

3.3 The White Paper notes that:

“The character, vitality and beauty of our countryside are important to all of us. But many rural communities are going through difficult changes. Basic services have become over-stretched. In traditional industries, such as farming, incomes are falling and jobs are disappearing. There has been pressure for unwelcome development. Wildlife diversity has declined. Previous Governments have failed to tackle these problems. Over the past 20 years we have seen post offices disappearing, council houses sold off, rural schools closed, building on green fields and village bus services cut.... It is clear that our rural areas have a diverse set of problems and interests..... In future we want decisions to be taken with the active participation of local people, and to develop new partnerships in delivering change. Government’s role is to provide the framework and support for rural communities to succeed”.

3.4 The White Paper also notes the role that providing affordable housing can play in tackling these challenges. It also highlights the housing problems faced in rural areas:

“Nowadays, due to in-migration, the population of rural districts is growing twice as fast as the national average. But many of the newcomers are older and wealthier and can outbid rural residents, with their lower than average incomes, in the competition to buy homes. With less social housing available as right to buy has taken effect younger people have less opportunity to find affordable housing. These trends are changing the character of communities in some parts of the country – leading to polarisation and social exclusion. In the Cotswolds District Council area, for example, one third of households have annual incomes below £7,000.”

3.5 The overall affordable housing policy objective is summed up as follows:

“We want young families to be able to live in the communities where they grew up.”

3.6 The Government’s proposed measures include:

- (a) Increasing the amount of money given to the Housing Corporation nationally to build new homes;
- (b) Encouraging local authorities in rural areas to apply to the Secretary of State for consent to be able to impose conditions on “Right to Buy” sales (to enable resale to the local authority or subsequent sales only to someone who has lived or worked locally for at least 3 years);
- (c) Promoting more flexible lettings policies by local authorities so as to take more account of specific rural needs in their area.

4. The need for Rural Housing

4.1 The Housing Corporation has noted that nationally,

“No one knows the exact demand for affordable housing in rural England, but everyone agrees that it is considerable. People’s housing needs vary from place to place. In some places, local people are priced out of the housing market. In others, economic decline has left behind low demand for housing and the need to regenerate and revitalise communities.”

4.2 Locally, the situation is unclear. The Housing Needs Study (August 2000) was not able to specifically look at the housing needs of people in the rural area. This is because the cost of the Study was £77,000. This was sufficient to fund a sample size of 2,500 households in the Study that gave a robust analysis of the whole of the Borough. A robust study of the housing needs of the Rural Area would have needed an additional 2,500 sample just for the Rural Area, and the Council did not have the resources to commission this.

4.3 However, a follow-up to the Study published in August 2001 by University of Wales/Opinion Research Services Limited (Supplementary Analysis of Migration Findings) stated that

“It is worth noting that the unmet demand for housing outside the city boundaries in the northern more rural area exceeds the current provision in the area by approximately 5 times – which has inevitably contributed to an increase in the price of these houses and the apparent overheating of this part of the market. This is not necessarily a bad point, being as development in this area is deliberately restricted by policy decisions”.

4.4 In terms of new housing, the Council has maintained a steady programme of enabling new affordable housing with housing associations. The table below highlights this.

Settlement	Housing Association	Scheme Completed
Lavendon 1 & 2	Hastoe	Jacks Close, 14 homes comp. Apr 92
Emberton	Hastoe	Jacobs Close, 11 homes comp. May 92
Olney	North British	East Street, 16 homes comp. May 92
Lavendon 3	Hastoe	Jacks Close, 5 homes comp. Aug 93
Castlethorpe	Hastoe	Thrupps Close, 12 homes comp. Nov 94
Moulsoe	North British	Cranfield Road, 11 homes comp. May 95
Little Brickhill	North British	Wyness Avenue, 11 homes comp. Aug 98
Hanslope	Hastoe	Stocking Green Farm, 12 homes comp. Dec 00
Haversham	Hastoe	Allotments, 8 homes comp. Mar 01
Olney	North British	Timpsons Row, 10 homes comp. Jan 02
Woburn Sands	Midsummer	Cranfield Road, 9 homes planned for 2002/03

- 4.5 The Government's policy set out in the Rural White paper makes it clear that in future:

"A robust needs assessment is an essential input to the housing strategies local authorities are required to produce. Making such an assessment is not easy because of the scattered nature of rural communities. But it is essential that it should be done, and done in consultation with the local communities themselves."

5. **Promoting more flexible lettings policies**

- 5.1 The White Paper sets out the Governments policies as follows:

"We will promote more flexible lettings policies by local authorities, so as to take more account of specific rural needs in their area. We propose changes to social housing lettings to promote a more customer-focused approach, giving applicants more say and greater choice in where they live. There would be increased opportunities for people to move more easily between different landlords and different areas; although landlords could choose to give local people priority over incomers so as to reduce the pressure of demand on limited stock."

- 5.2 The reform of lettings policies is in line with the objectives of the Housing Green Paper and subsequent Housing Policy Statement. The Government has also funded a series of pilot schemes to look at alternative lettings systems. The pilots started in April this year.

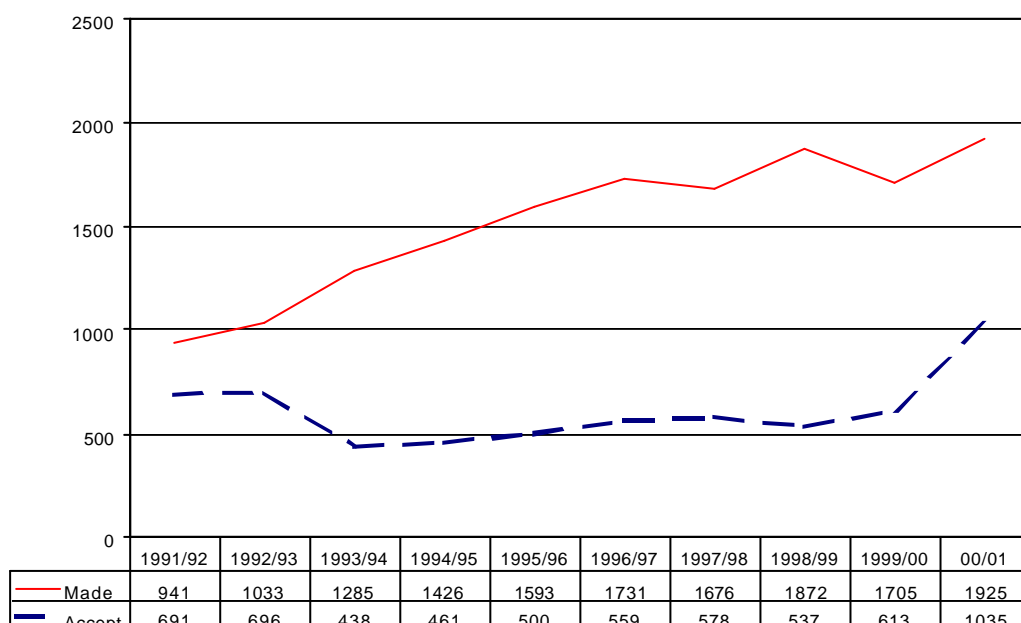
6. **MKC's Allocations Policy**

- 6.1 The Council's Allocations Policy is based on an assessment of housing need. We award points to reflect the degree of an applicant's particular need. For example, someone who is homeless would have more points than someone who wishes to move to a house with a bigger garden.
- 6.2 Since the Government published its Housing Green Paper in April 2000, the Council has been considering changes to the Allocations Policy. The findings of the Council's Housing Needs Study have also prompted the Council to think again about its Policy. For example, it showed that the Council's tenants experience high levels of social and economic disadvantage (e.g., 66% of our tenants are not working). This does not lend itself to creating mixed and balanced communities.
- 6.3 The Council has put together a "Community Lettings System" and the details are reproduced in Annex A to this report. The System would allow people access to social housing stock owned by both MKC and RSLs. To enable this, MKC & RSLs will have a Common Waiting List with RSLs. We will then introduce a number of Categories or "Bandings" (e.g. Housing Need, Social, and Employment), rather than the two complex, points-based systems (transfer list and waiting list) that we currently run. People wanting housing will apply to be included in one of the Categories. The broad framework is set out in Annex A.

- 6.4 We would also draw up a Lettings Plan would look at the profile of each area where MKC and RSLs hold stock and then actively seek to create a mixed and balanced community in each area. The idea of this is to get a better balance between a household's needs, and the needs of the Community. The Lettings Plan would be drawn up and reviewed in consultation with RSLs, residents groups, and parish/neighbourhood councils.
- 6.5 This could go some way towards meeting the wishes of rural communities that Council housing should only be allocated to local people. For a Community Lettings Scheme to be meaningful, it would make perfect sense to not only involve local Town and Parish Council's in the Lettings Plan, it would also make sense to reserve council homes in the rural area for local people only.
- 6.6 To date, the Council has resisted this for two reasons. The first is the pressure from statutorily homeless households, and the second is the equalities issue.

7. Homelessness

- 7.1 Given the continual pressures on the Council to house statutorily homeless households, it is hard to see how this is likely to change. The graph below shows that the numbers of households accepted as statutorily homeless has risen throughout the 1990's. Consequently, family properties, be they in the DA or the Rural Area, continue to be in high demand from homeless households.
- 7.2 Indeed, given the marked population growth that is a characteristic of Milton Keynes, and given that Government is due to increase the priority homelessness categories (to include ex-offenders, people leaving the services, and young single people), there are no signs that this trend will diminish.



8. **Equalities**

- 8.1 There main issue here is that if rural housing is reserved for just local people, then other households living in other areas will not be able to exercise choice to move to these areas. This is likely to disproportionately affect minority ethnic applicants.
- 8.2 The other issue is an important point of principle. Properties in rural areas are usually brought and sold on the open market on the basis of a willing vendor and a willing purchaser. There is no legal framework that gives Town and Parish Council's the right to insist that properties should be sold only to local people. Consequently, it could be argued that the allocation of social housing should similarly enjoy the same freedom from veto that private house sales currently enjoy.

9. **Conclusions**

- 9.1 The general lack of accommodation and the high cost of market housing are Borough-wide problems. The problem that the Council faces from rising homelessness and the need for it to allocate properties in a fair and equitable way cannot simply be set aside.

- 9.2 However, the lack of affordable accommodation for local people is more marked in rural areas and the Government's Rural White Paper highlights this. The White Paper sums up the Governments overall affordable housing policy objective as follows:

"We want young families to be able to live in the communities where they grew up."

- 9.3 Consequently, if the Council is to meet the Government's agenda, it needs to amend its Allocations Policy to allow greater opportunity for local people to access the social housing stock in rural areas. The Community Lettings System offers an opportunity to explore with Town and Parish Councils the most effective way of achieving this in a way that is fair and equitable to all parties.

10. **Recommendations**

- 10.1 The Council should introduce a Community Lettings System on a pilot basis in a rural area.
- 10.2 It should consult Town and Parish Councils about which area would be most effective, and on the degree of priority to be given to local people in the area.

Paul Gibson
Housing Policy and Development Officer
6 November 2001

Community Lettings Scheme

1) Introduction

The early framework that we have developed for consultation and discussion is for a Community Lettings System (rather than a “choice-based” system). This is based on the system used by Places for People, the largest Registered Social Landlord (RSL) in the country.

2) What is the Community Lettings System?

A Community Lettings System would allow people access to social housing stock owned by both MKC and RSLs. To enable this, MKC & RSLs will have a Common Waiting List with RSLs. We will then introduce a number of Categories or “Bandings” (e.g. Housing Need, Social, Employment), rather than the two complex, points-based systems (transfer list and waiting list) that we currently run. People wanting housing will apply to be included in one of the Categories. A diagram illustrating the broad framework is set out at the end of this briefing.

We would also draw up a Lettings Plan would look at the profile of each area where MKC and RSLs hold stock and then actively seek to create a mixed and balanced community in each area. The idea of this is to get a better balance between a households needs, and the needs of the Community. The Lettings Plan would be drawn up and reviewed in consultation with RSLs, residents groups, parish/neighbourhood councils.

3) Why “Community” Lettings?

The needs of the Community are something that does not currently feature in our current Allocations System. All too often, residents associations and parish councils tell us that our allocations are inappropriate and do nothing to improve the balance of the Community. Residents also tell us that often our allocations upset the balance of the community. A classic example is where we have blocks of unpopular bedsits that are increasingly used as temporary accommodation for homeless households. Whilst this prevents us from having to place homeless households in bed and breakfast outside the area, the downside is that we are creating concentrations of socially excluded people in housing stock and localities in which they themselves do not wish to live. Our aim is to create a Community Lettings System and a Lettings Plan that respects and enhances the balance of a Community, whilst at the same time enables us to meet our statutory duties.

4) Why not use the “Delft” model?

We have looked at the “Delft” model as it appears to offer choice and opportunity. However, a closer examination shows that whilst the advertising/ coupon system appears to offer choice, the allocations are still made on the basis of rationing resources.

For example, Shelter has noted that people who are starting out and have not had their own home before are ranked according to age, with older applicants having greater priority. People who want to move from an established home are ranked according to how long they have lived there. Homes are prioritised by income – individual properties are labelled as being available only to people falling within certain income bands. Shelter has also noted that the greater the housing stress in an area, the bigger the number of restrictions.

5) Example of how our Community Lettings System could work

An older person, who is an owner-occupier, living in Bletchley in a 3 bed house valued at £95k who needs to move to an older persons bungalow in Wolverton to be near her daughter for support. Under the current Allocations Policy, the older person is currently restricted from applying to the Council for housing because of the level of his/her assets exceeds £56,000.

Under a new Community Lettings System, the older person registers under the “Social” category. The application would be dealt with on a date order basis. Once a suitable vacancy in either MKC or RSL stock becomes available, the applicant will be able to move. As the Lettings Plan has identified that older person’s bungalows in Wolverton are popular but in short supply, new-build projects will seek to remedy this.

Naturally, there will be disquiet that scarce accommodation such as older persons bungalows will be made to people who are not in the “greatest housing need”. Under a Community Lettings System, a Housing Need category would ensure that those in the greatest housing need would still get priority. Nevertheless, the experience of the last few years and the findings of the Housing Needs Study shows that social exclusion is concentrated in the Council’s housing stock. The example shows a practical way that this can be tackled.

6) Can this System be developed further?

Ultimately, “chains” of transfers, exchanges etc. will be set to facilitate moves, (rather like the private sector currently). Better use of technology will inform this process. Future developments could include shared ownership properties, (for new stock in the first instance), and market rent schemes. The Common Waiting List could also be expanded to act as a network involving local lettings agents.

7) What other benefits are there?

If the older person in the example can’t access social housing stock, his/her health may deteriorate over time, and the Council may need to make an expensive residential care placement. Allowing access helps the Council to achieve an integrated housing and social care service, and also benefits the health of the Borough’s population. It also enables a family property to become available to meet the shortfall identified in the Housing Needs Study.

Allowing access regardless of current tenure and income will also help build up a better profile of housing supply and demand in future years. This will help us to plan how to meet shortages more effectively.

8) Further work

a) Consultation

RSLs need to be fully involved and on board. Town Council's, Residents Groups, Parish Councils, English Partnerships, all need to have an input into what will be happening in their Communities, whilst at the same time appreciating the Council's statutory duties.

b) The Nominations process

RSLs are independent, private sector organisations who own properties and have their own allocations policies. A Common Waiting List could pose problems for some RSLs. Nevertheless, in Milton Keynes:

- A lot of the stock is subject to nomination rights held by English Partnerships and managed on its behalf by MKC. It would therefore make sense if these nominations were held in the main for the "employment" category (or "social" category);
- The Council also holds nomination rights for homes developed with Social Housing Grant (paid by the Council and the Housing Corporation);
- With the nomination rights held by RSLs, the aim is that they would close their individual lists. People needing housing would apply through the Common List. Whilst the Council would ensure that nominations would only be made in line with RSLs own allocations policies, RSLs may be nervous about losing a degree of independence and this aspect of the System needs to be planned carefully

c) The Categories

There are two issues here. Firstly, do we have too many or too few categories? Secondly, is the percentage of allocations that should go to each category? For example, should the Housing Need category account for 75% of the available lettings? Should it be 50%?

D) Decisions when homes become empty

When a property becomes empty and available for letting, how should we decide which Category it should be available for?

E) Decisions on lettings within each Category

We also need to clarify how lettings should be made within each of the Categories. Should they remain points based? Should they be date order based? With the employment category, how would we keep the balance between "key workers" in the traditional sense (e.g. teachers, nurses, and police officers) and other workers on low incomes who need to be nearer to their place of work in order to minimise travelling time/costs?

F) Staffing

Staff resources will be needed to administer a larger waiting list and to deal with more nominations. This needs to be considered in more depth as the details of the new System are developed and agreed with key stakeholders.

G) Technology

As in F

H) Publicity about the System and what is available

An attractive feature of the Delft system was the way that information was made available about which properties were available. This in turn helped the “choice” element (e.g. advertising all vacancies in free papers led to people making a choice whether to apply for the vacancy or not). We will need to make sure people have adequate information at the time they apply, and importantly, as they wait. Would features in the free newspapers best provide this? Would using the Internet be sufficient?

9) Conclusion

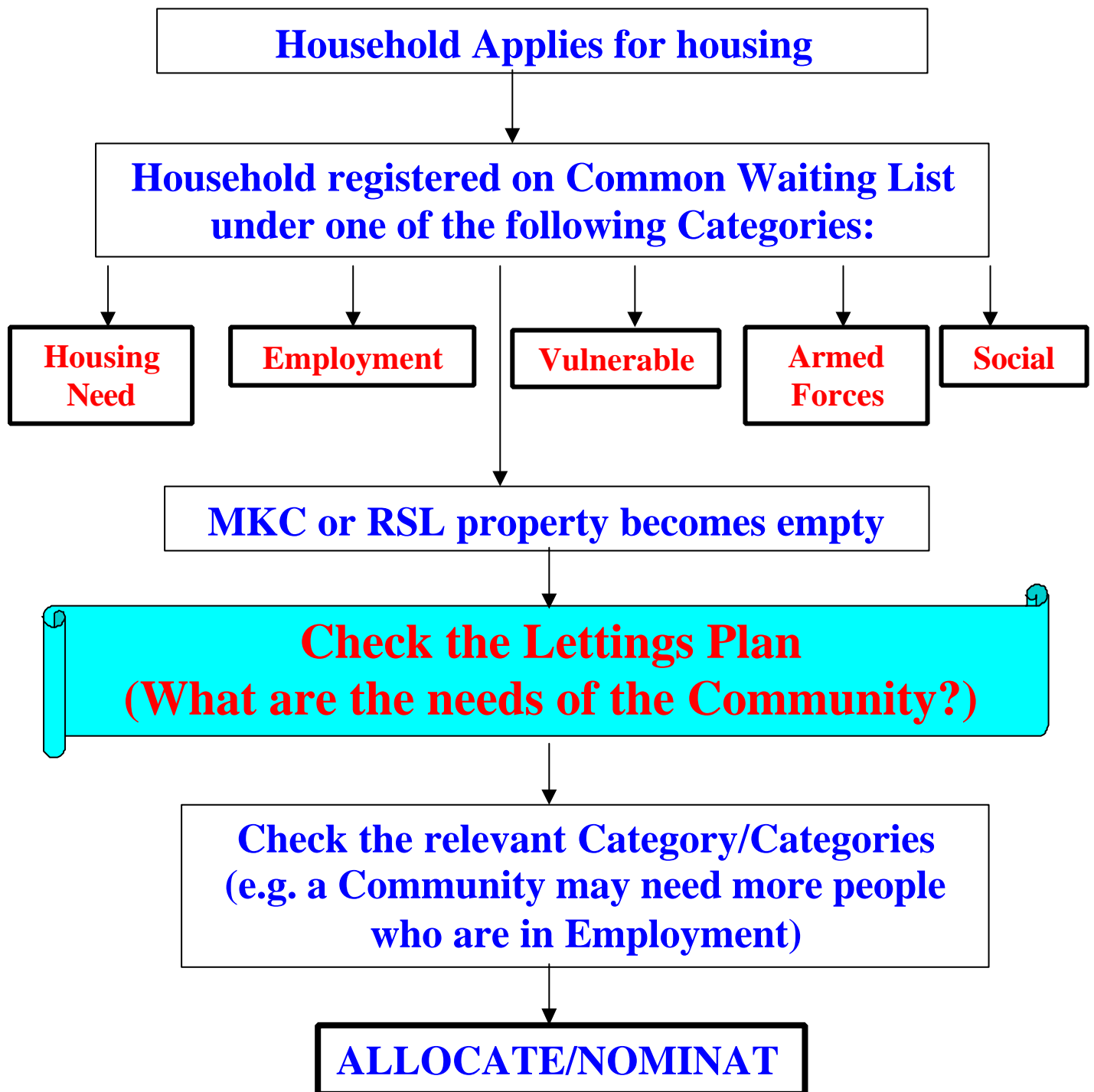
We are at a very early stage in the process. The proposed system is no more than our first attempt to put ideas down on paper. We have to start somewhere and as the strategic housing authority for the Borough, we have to take the lead. The results of the consultation could lead to a different system than the one outlined in this paper.

Our proposals do however provide a framework in which we can balance

- A households choice and a households needs
- The needs of Communities
- The needs of RSLs and other bodies (such as English Partnerships)
- The Council's statutory duties

Paul Gibson April 2001

Proposed New Allocations System



Annex B

MKC Rented Housing by Settlement (Rural Areas)

Mar-99				
	Total Stock	MKC Rented	% MKC Rent	MKC Shared O
Astwood	58	5	8.62%	0
Bow Brickhill	233	21	9.01%	0
Calverton	76	0	0.00%	0
Castlethorpe	392	32	8.16%	0
Chicheley	51	13	25.49%	0
Clifton Reynes	51	0	0.00%	0
Cold Brayfield	39	0	0.00%	0
Emberton	263	29	11.03%	0
Filgrave	53	3	5.66%	0
Gayhurst	52	0	0.00%	0
Hanslope	938	107	11.41%	0
Hardmead	29	6	20.69%	0
Haversham	304	3	0.99%	0
Lathbury	49	1	2.04%	0
Lavendon	510	25	4.90%	0
Little Brickhill	174	27	15.52%	0
Moulsoe	98	19	19.39%	0
Newport Pagnell	5939	388	6.53%	0
Newton Blossomville	87	9	10.34%	0
Olney	2462	177	7.19%	0
North Crawley	314	22	7.01%	0
Ravenstone	92	6	6.52%	0
Sherington	381	49	12.86%	0
Stoke Goldington	247	33	13.36%	0
Tyringham	36	0	0.00%	0
Warrington	14	0	0.00%	0
Wavendon	276	38	13.77%	0
Weston Underwood	99	3	3.03%	0
Woburn Sands	1092	110	10.07%	0
	14409	1126	7.81%	