

Right to Buy Social Mobility Fund

Application form

Supporting social tenants to realise their aspirations of home ownership.

This form should be submitted to RTB@communities.gsi.gov.uk no later than **5pm on 18 March 2015**. Any queries about the fund should also be submitted to this address.

Section A: Applicant contact information

Principal local authority name/name of bidding organisation:	London Borough of Southwark
Name of contact(s):	Samantha Cheng
Position in authority:	Sales & Acquisitions Manager
Telephone number(s) of the contact(s):	020 7525 4338 / 07943 585860
Email address of the contact(s):	samantha.cheng@southwark.gov.uk

Section B: Eligibility criteria

Please complete as appropriate:

The bid is from an English principal local authority	YES
All expenditure will be spent on providing a cash payment to Right to Buy-eligible tenants	YES
The bidding authority agrees to provide relevant project progress monitoring information to DCLG	YES
The proposal has been signed off by the relevant Section 151 officer and this proposal is accompanied by evidence to support this.	YES
The proposal sets out the extent to which it will target the priority groups	YES

Section C: Project description

Project title: Please give the bid a short name, unique to any other fund bids involving your organisation.

Southwark CIS 2015/16 (DCLG Bid)

Project Summary (100 words maximum): Please provide a brief description of local scheme proposal.

The funding will be used to extend Southwark's existing CIS scheme to offer grants to tenants of one-bedroomed properties and to supplement existing grant levels to tenants of larger bedroomed properties.

Grant Requirement: Please state the total amount you are bidding for from the fund.

2015/16: £2.25m

Mandatory Criteria

1. Additionality: Please set out your evidence that tenants would and could apply for the Fund and how you have alighted on the number underpinning your bid.

You should include a statement about

- the checks you will undertake to ensure that applicants are eligible for Right to Buy and additional (i.e. not in the process of accessing their Right to Buy discount on their current property); and
- the checks you undertake when people apply to join the housing list to ensure they do not own a property, which would pick up whether a tenant in receipt of this cash incentive reapplied for social housing.

All applications received from tenants applying for a CIS grant will be checked to ensure that the tenant has the right to buy before accepting their CIS application.

Currently, when a CIS application is made, it is checked against the live Right to Buy

database at several key points in the process, i.e. on application, before the provisional and formal offers are issued and prior to completion. Only one application, i.e. the right to buy claim OR the CIS application is allowed to complete.

When people apply to join the housing list in Southwark, the council carries out a full credit check. The ownership of all the applicant's current and linked addresses is investigated against HMLR records to ensure they do not own these properties. Any restrictions against the title for repayment of CIS monies should be listed.

Southwark tenants applying for CIS are also subject to the same process which will expose any restriction imposed as a result of RTB discount repayment under s156 (Housing Act 1985, as amended).

Southwark has been running a successful CIS since 2007/8. During that time 388 applications have been received resulting in 48 completions and 243 withdrawals and a success rate of 16.5%. By opening up the scheme to tenants of one-bedroomed properties and supplementing all other existing grant levels, it is believed that the success rate can easily increase to 25%.

Nearly 100 applications were processed by two officers in 2014/15. Should Southwark's bid be successful, another 4 officers will be employed to cope with the additional demand and should allow a total of 300 applications to be accepted. A success rate of 25% translates to 75 completions and therefore a total of £2.25m is requested from the RTB Social Mobility Fund.

Due to currently limited resources, Southwark is keeping a waiting list of 70 applicants pending those resources becoming available. The funding injection will enable these applications to proceed as well as ensuring a better success rate.

2. Funding:

Please set out the number of tenants the bid will reach, and in which quarter you expect the completion.

	2015-16			
	Q1	Q2	Q3	Q4
Number of tenants completing :	10	20	20	25

3. Delivery: Please set out briefly the resources you will put in place to deliver the fund.

6 x Cash Incentive Officers:

These officers will deal with updating standard documentation and procedures, updating the website, promotional activity, credit checks, affordability assessments and general administration.

0.25 x Line Manager

This officer is in place to provide an operational steer to the Cash Incentive Officers as well as contributing to strategic and governance needs, producing statistical data and returns internally as well as to CLG.

4. Promotion: Please describe how you will promote this scheme to eligible tenants, including timings and extent of distribution (ie. whether it is highly targeted and if so, how and where; or if a blanket approach is proposed).

In order to reduce speculative enquiries from tenants who would not qualify for the scheme, directed promotional material will be produced in the early half of Q1 and sent to a filtered list of secure tenants. Tenants who have a current claim for housing benefit and/or more than five weeks arrears in the last six months prior to application do not qualify for Southwark's scheme and the council will retain these conditions. As of the 13th March 2015, there were 5,440 tenants with at least 3 years' secure tenancy* with Southwark who would qualify in principle after applying these filters. Given that our systems cannot check out of borough tenancies, the actual number with more than 3 years' secure tenancy in total is likely to be more.

Shortly after this initial wave of advertising, similar information with all qualification criteria will be published on the council's website which will include an affordability calculator and a link from webpages with information on RTB, Social HomeBuy and other low cost home ownership schemes. Flyers will be included in RTB application packs, a paper will be presented at Tenant Council and ward councillors will be notified. Throughout the year, staff will use the opportunities to promote the scheme directly to tenants at estate action days and other similar events. Posters will be put up in key public access premises e.g. libraries, receptions.

*It is assumed that the long awaited reduction in qualification period from five to three years for RTB applications will occur imminently, as advised by civil servants.

Scoring criteria

1. Priority tenants. Please set out the number of tenants by type the bid will reach, and in which quarter you expect the completion.

	2015-16			
	Q1	Q2	Q3	Q4
Older tenants:	1	2	2	2
Tenants moving to access working opportunities:	1	2	2	3
Tenants unable to mortgage their social property:	3	6	6	7

2. Additional benefits: Please set out (if applicable) how any the proposed scheme will meet local needs; for example, by freeing up the type of properties where there is a local shortage – such as larger family homes, or one and two bedroom properties to support downsizing.

Southwark is in need of all sized properties. As of 12th March 2015, 2,337 secure tenant households required larger homes than they currently occupy and 1,263 secure tenant households required smaller homes than they currently occupy (see table below).

Properties released under Southwark's current scheme are already prioritised to overcrowded households. Should Southwark's bid be successful, all secure tenants in unsuitably sized accommodation regardless of whether their current accommodation is too large or too small will be prioritised for transfer into them.

The properties released can also be used to provide a resource for the 1,552 secure tenants (as at 16th March 2015) affected by large-scale regeneration projects in Southwark whose current homes will be demolished. Tenants seeking transfer for this reason will also be prioritised.

Secure Southwark Tenants Seeking Transfer

		Bedrooms Required									
		1	2	3	4	5	6	7	8	9	Total
Current Bedrooms	0	199	66	4							269
	1	594	624	100	1	1					1320
	2	320	465	855	164	13	4				1821
	3	173	328	221	201	65	9	2			999
	4	39	94	60	29	15	11	2			250
	5	2	6	10	3	3					24
	6		2	1	1	2	1				7
	7				1				1		2
	8										
											4692

REQUIRE SMALLER – 1,263 households

REQUIRE LARGER – 2,337 households

Please set out (if applicable) how much the local authority will contribute from its own resources and for what purpose (eg. to top up the Fund allocation to individual tenants, to enable the scheme to reach more tenants etc.)

Proposed Funding Streams

Property size released	1 Bed	2 Bed	3 Bed	4 Bed	5+ Bed
Basic incentive	£30,000	£50,000	£60,000	£70,000	£75,000
<i>Of which is RTB Social Mobility Fund</i>	<i>£30,000</i>	<i>£30,000</i>	<i>£30,000</i>	<i>£30,000</i>	<i>£30,000</i>
<i>Of which is Southwark Funding</i>	<i>£0</i>	<i>£20,000</i>	<i>£30,000</i>	<i>£40,000</i>	<i>£45,000</i>
Additional incentive (Southwark Funding)	£3,000	£3,000	£3,000	£3,000	£3,000
Maximum contribution to moving costs (Southwark Funding)	£3,000	£3,000	£3,000	£3,000	£3,000
Total maximum grant to tenant	£36,000	£56,000	£66,000	£76,000	£81,000

The table above provides information on intended grant levels and the sources of funding should Southwark's bid be successful. The Fund will allow the scheme to be newly available to tenants of one-bedroomed properties and will significantly increase grant levels and therefore success rates for tenants of all other sized properties.

Southwark's current scheme provides an additional incentive of £3,000 to tenants releasing properties which have at least two desirable features which make them more suitable for families (e.g. more than one WC, a garden, ground floor access).

Should Southwark's bid be successful, in order to be more attractive to those priority groups which the government has identified, an alternate route to qualification for the additional incentive will be opened such that it is available to:

- older secure tenants (over 55); and/or
- tenants who have been made a job offer which would require a move; and/or
- those who have withdrawn a RTB claim subsequently to receiving the s125 Landlord's Offer Notice within the three years prior to applying for CIS.

Southwark will also continue to contribute up to £3,000 towards the applicant's moving costs.

Please describe details of any proposed partnership arrangements with housing associations, detailing the number and name of partners and number of Preserved Right to Buy tenants expected to be reached.

None.

Section D: Other Information


Please use this section to provide any additional information that you think the assessors may require to evaluate your bid. Please limit your comments to no more than 250 words.

Southwark's current funding stream for two-bedroomed properties is partly provided by a GLA grant of £16,000 per property released, the remainder provided via recycled Social HomeBuy receipts and other available Southwark capital.

The government's offer is more attractive and will allow Southwark to run a more attractive scheme to a wider group of tenants. Southwark is well aware of double subsidy issues. Therefore, should Southwark's bid for the RTB Social Mobility Fund be successful, Southwark will terminate its contract with the GLA and transfer all existing live CIS applications to the new scheme to avoid confusion and avoidable resourcing issues caused by tenants simply withdrawing their current application and reapplying.

Section E: Approval

Approval: Bid approved and signed off by Section 151 officer (or authorised person in other public sector partners) for each partner to the bid.

Name	Duncan Whitfield
Position	Strategic Director of Finance and Corporate Services
Organisation	London Borough of Southwark
Date Approved	17 th March 2015
Signature	

The following link to Southwark's constitution provides evidence that the Strategic Director of Finance and Corporate Services is the London Borough of Southwark's Section 151 Officer and has the appropriate authority to sign this document (see section 7, page 259).

<http://modern.gov.southwark.gov.uk/documents/s48856/Constitution%202014-15%20July%202014.pdf>

Disclaimer

There shall be no expectation of grant until authorities have been formally notified in writing by the department. All the Applicant's costs and charges incurred as a result of making this application shall be for the applicant's account and cannot be claimed as part of the project.

The Data Protection Act: Freedom of Information Act 2000

The Department for Communities and Local Government undertakes to use its best endeavours to hold confidential any information provided in any application form submitted, subject to our contracting obligations under law, including the Freedom of Information Act 2000. If you consider that any of the information submitted in the application form should not be disclosed because of its sensitivity then this should be stated with the reason for considering it sensitive. The department will then consult with you in considering any request received under the Freedom of Information Act 2000 before replying to such a request.

Applicants should be aware that the following conditions will also apply to all bid applications:

- We may use your information for the purposes of research and statistical analysis and may share anonymised information with other government departments, agencies or third parties for research and statistical analysis and reporting purposes.
- Our policies and procedures in relation to the application and evaluation of grants are subject to audit and review by both internal and external auditors. Your information may be subject to such audit and review.
- We propose to include light touch monitoring by the department utilising publicly available information. We would encourage applicants to regularly publicise progress on their websites and disseminate good practice.
- The department will publish summaries of all successful bids.