Allocations Policy Review

Community Impact Assessment

Updated November 2018

The allocations policy which is currently being consulted on is widely expected to have significant effect on the dynamic of the housing register and therefor may have effects on those currently registered, those wishing to join and all the council who manages the register. Resulting changes may also later affect registered providers due to nominations it receives. The following paper explores some of the changes which are being consulted on, how many may be effected and the benefits that they may also have.

What may be changed and how will this affect the register?

Change 1- Disqualification of those with no housing need

One of the largest changes being consulted on is the potential for those with no housing need and no local connection to be disqualified from the housing register. Whilst this would not remove Band 4 in its entirety a substantial amount of those in Band 4 would be affected.

> ➢ How many may be affected by this change?

As of the end of March 2018 - there were 841 people in Band 4.

18 of these were in Band 4 as they had a local connection but they also had a reduced preference from Band 3, these would not be affected and would be expected to be able to remain.

There are 21 applications which have no local connection but have a housing need, depending on whether they met the new local connection criteria they may or may not be able to remain on the housing register.

There are 802 applications in Band 4 due to having no housing need in accordance with the policy, of which 536 also have no local connection, with the remaining 266 having a local connection but no housing need.

Based on this information approximately 802 applicants would be at risk of removal from the housing register for having no housing need.

Page 219

Whilst this information was taken at the end of March and end of financial year there has only been a marginal change in the numbers in Band 4 with only a reduction of 4 overall.

> Why this change may be positive?

The council wants to make this change for several reasons, as an authority the council is trying to effectively manage demand and reduce costs and drive efficiency's. Of those in Band 4 many will rarely if ever get allocated. Properties tend to be allocated to those in much higher bands; it's exceptionally rare for customer to be housed who is Band 4. As a council it is also important to manage customers' expectations and based on the data available, many of those have an unrealistic expectation of being housed.

Change 2- Cancel applications where no bids have been placed for 12 months

The council are consulting whether to include provision within the allocation policy for cancelling applications where they have not bid for 12 months. The council want the housing register to remain an active reflection of those in housing need that need to move. The council believe that within a 12month period there would be sufficient available and suitable properties for households to bid on. Should a property not become available within this time this may because of unrealistic expectations customers have on being housed in particular type properties and in restricted areas.

A report indicates that as of the end of March 2018- 706 applications had not bid within a 12month period, this represents that around 50% of those on the housing register either do not want to move or need to move.

It would be expected there would be cost efficiency made in reducing the numbers of the housing register, and therefore in redistributing resources or staff time to be used for other more meaningful work, i.e. assist in triage or preventing homelessness. There are ongoing costs to the council to keep the housing register up to date and associated ongoing administration. Additionally each year on an annual anniversary of their application input, all applications are written too to confirm whether the application is to be renewed; therefore costs may also be saved here through reducing the register.

Additionally, it may encourage more applicants to bid on properties and so hard to let properties may also mean they have bids placed on by applicants.

Whilst there were 705 applications that had not bid the vast majority of these were in Band 4 and most would be at risk of removal due to having no need- However, 195 applications which had not had a bid placed in the previous 12 months were in Bands 1+-3 and therefor these would potentially be at risk of removal in addition to the 802 at risk of disqualification for having no housing need.

Change 3- Cancel applications where applicants refuse 3 suitable properties

The council are consulting where applicants who refuse 3 or more suitable properties have their application cancelled.

The council are exploring this as another way to manage demand, customer expectation and save efficiencies. The council want to encourage that when applicants are bidding they are bidding on properties they have a reasonable expectation they would accept.

Following a report there are only 12 applications currently active that have refused more than 3 properties so this change would not affect a large volume of applications but would still help contribute to a more active housing register and one that is more reflective of need, however this would need to balanced up whether given this change is affecting few whether the time taken to administrate this issue would be effective and serve a useful purpose.

Change 4- More focussed management of Band 1 and Band 1+ and changes to 'priority card'

Applicants should only be in these highest bands where they represent having the highest housing need and most urgent need to move.

Through analysis of those in these bands as of the end of March there were 73 applications which fell in these bands of which 7 were in Band 1+ and 66 in Band 1. Of these applications currently there are 14 applications in Band 1 which have never placed a bid. Furthermore there are an additional 32 applications which have not placed a bid within the last 3months.

It is stated in the current allocations policy with regards to applicants given a priority card the following;

"Applicants placed into Band 1+ and Band 1 will be subject to a 2-month 'priority card'. This will ensure that housing staff are monitoring and supporting applicants in bidding or identifying housing options. At the end of the 2 months, subject to a satisfactory review, the priority can be extended by a further 2 months, by which time there is an expectation that the applicant's housing needs would have been met or the duty to re-house discharged."

This clearly indicates there is a reasonable expectation from the council that such applicants with this housing need and urgency to move will have been housed within 2months or at the outset 4months. The data indicates therefor that Band 1s are not being adequately monitored controlled or that the policy is not being enforced.

In order to ensure the register remains active of those who want and need to move, Band 1 needs to be properly monitored and applicants given this priority are supported to do so, where applicants are resistant to this they may find their application is cancelled or their banding demoted to reflect that their need to move was not as high or urgent as initially deemed. There may be further clarity needed within the allocations policy to address this and powers given to officers to ensure this can be done.

Through implementing this change the council could ensure that those in Band 1 do have an urgent need to move and are willing to do so, helping to contribute that the housing register is one that remains active, reflective of need and that officers time and resource is not spent administering applications where there is little intention to move.

Change 5- Amendment of cumulative preference categories

The council wants to ensure that where applicants are encountering multiple housing issues that they are adequately banded to reflect this. However this has to be properly managed to ensure that those most housing need still retain the highest band. Sometimes applicants may be awarded several bandings resulting from the same set of circumstances. For example some council tenants are awarded incentive to move due to under occupying a property but are also awarded under occupancy banding. The resulting effect would mean someone who is under occupying 2bedrooms and accepted for incentive to move, are placed into Band 1 + and also rewarded financially for in effect the same set of circumstances. Whilst the council recognises that it is important to adequately encourage applicants to move and free up larger accommodation it is also important to balance this with other groups on the housing register that is also important to house- for example applicants occupying unsuitable accommodation or placing a financial burdens on the councils through placement in expensive temporary accommodation.

Looking at the available data there are currently 7 applications in Band 1+. Of these 3 are in band 1 due to the cumulative effect of incentive to move and under occupancy, 1 high medical and overcrowding, 1 under occupancy and best use of stock, 1 for high medical and social needs and 1 for member of armed forces with serious injury. Only one these applications have placed a bid within the past 3 months, with one applicant having not bid since 2014.

Change 6- Inclusion of Financial Threshold

As little information is currently captured regarding finances of applicants it is difficult to predict the impact this may have in terms of numbers that may be disqualified. However there are several ways financial threshold may be implemented within the allocations policy and this is an area we hope to focus on through the consultation and conclude how it best be may be applied. The key issue to focus on us what threshold may entitle an applicant is able to access other tenures such as private rental accommodation.

The current proposal is to have 2-fold financial threshold-

a) Savings threshold
   and
b) Income cap

With the current proposal using a savings threshold standing at £16,000 and income threshold

- Single person households with a household net income of £30,000 or more per year
- Family households (this includes couples) with a household net income of £60,000 or more per year.

Whilst the income threshold includes all income, disability benefits would be exempt as would money attributed to injury whilst serving in armed forces.

When exploring the current market rent summary for Tamworth it shows the average cost of property rents within Tamworth are as follows:

Average property rents in Tamworth:	£707 pcm
Property Rents in Tamworth by Number of Bedrooms	
	Average rent
One bedroom	£500 pcm
Two bedrooms	£656 pcm
Three bedrooms	£758 pcm
Four bedrooms	£1,048 pcm
Property Rents in Tamworth by Type	
	Average rent
Room	£364 pcm
Flat	£581 pcm
House	£786 pcm

**Data taken from Home.co.uk
https://www.home.co.uk/for_rent/tamworth/current_rents?location=tamworth

Therefor when using these figures when using the average market rent of £707 pcm this would equate to approximately 14% of the total yearly income, and the top -end of the property scale using a 4bed average private would equate approximately 21% of yearly income.

As a general rule, for accommodation to be affordable, housing costs should not be higher than approximately a 1/3 of annual income. Therefor on this basis, for applicants earning above this amount it would generally be able to afford alternate accommodation when there income is above £60,000 for family households.

When considering a savings threshold of £16,000 using these same figure it would generally be acceptable to consider when an applicant has this amount of savings they could also access accommodation in the private sector. Generally to secure accommodation applicants would be required to provide approximately one month's rent as a deposit and one month's rent in advance. Therefor in equating this to the average rental price this would be in the region £1414 and therefor this would still leave more than sufficient savings for applicants to use personally and for other needs. Given this is also in-line with the threshold universally used by DWP it would also represent this be a fair assumption.

Change 7- Changes to qualification and local connection criteria

As little information is currently captured regarding the new criteria it's difficult to predict how many might be effected by this change. However in analysing the register most applicants with a current local connection will be un-affected by the change as most appear to have been resident for more than 2 years. Furthermore many of applicants who haven't may still be able to qualify due to employment or other family/welfare reasons. Additionally there are serval more special criterion and discretions which may be utilised for them to be still be considered and for exceptional circumstances and due regard has been given groups included in the public sector equality duty.

Housing Supply

Demand for social Housing in Tamworth continues to far outstrip the supply the information below helps illustrate this further.

Number of Lettings

The number of lettings made over the previous three years is as follows (excluding mutual exchanges and use in occupation):

2015	258
2016	261
2017	259

Comparatively speaking the average number of applications on the housing register for the previous 3 years has been the following;

|	
2015/16	1624
2016/17	1585
2017/18	1491

Housing demand

The demand for 1 bedroom accommodation far outstrips the needs of any other bedroom accommodation.

Over the course of the previous financial year, 1bedroom accommodation has continued to be most in demand, with over 50% of those on the register requiring it. 2bedroom accommodation is next in demand with much less applications requiring 3 bedroom accommodation or being 4+ bedroom need.
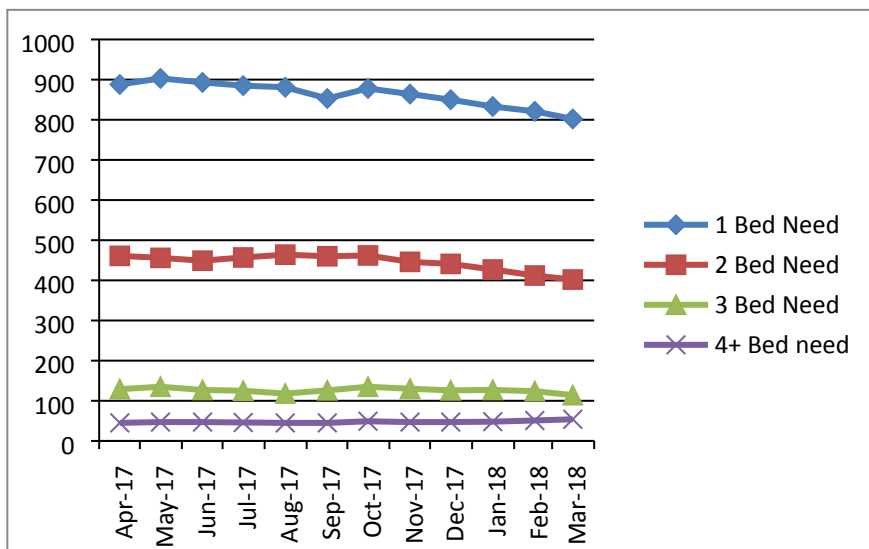
This is again reflecting over the previous 2 years as demonstrated below.
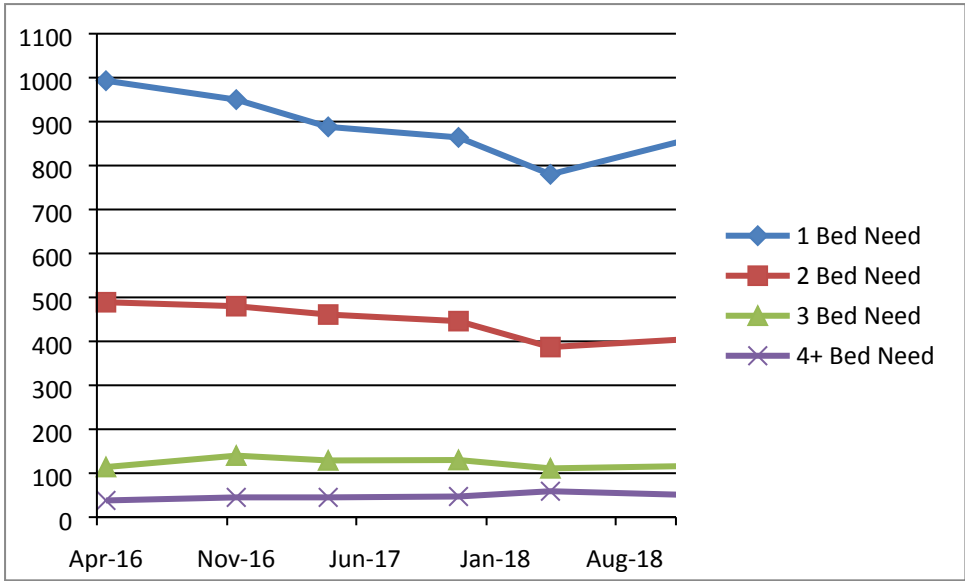
Of those in Band 1 and Band 1+ most of those also require 1 bedroom accommodation- from the latest list of those in Band 1 taken from the end of March 2018- over 50% of those in the highest bands required a 1bedroom property, the chart below illustrates this further.
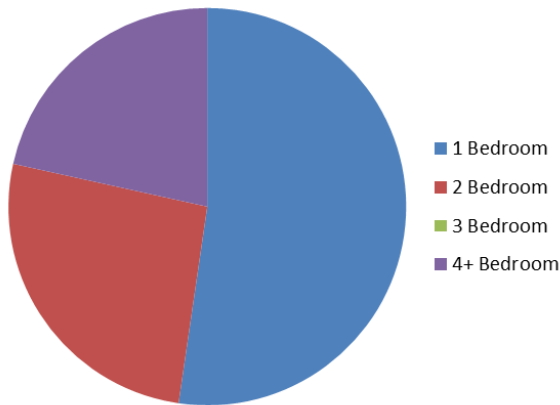
Effects of the proposed changes on bedroom need demand

When considering the changes its important to consider the changes in the dynamics of the housing register, given a large number of applicants would be risk of removal from the housing register if these changes went ahead it's important to consider if these changes would effects the dynamics of the housing register.

As of the end of November 2018 there were 837 applicants on the housing register which fell into band 4- their bedroom need is made up of follows-

Bedroom Need	Number of

	applicants
1	522
2	241
3	64
4+	10

If we only consider those in Band 4 that would be likely to remain, as they otherwise would have reasonable preference but have been temporarily reduced this would be the approximate dynamics of band 4:-

Bedroom Need	Number of applicants
1	17
2	13
3	7
4+	2

When looking at the dynamics of the register as whole when we remove those applicants who have no housing need the dynamics of the housing register may approximately resemble more as follows:-

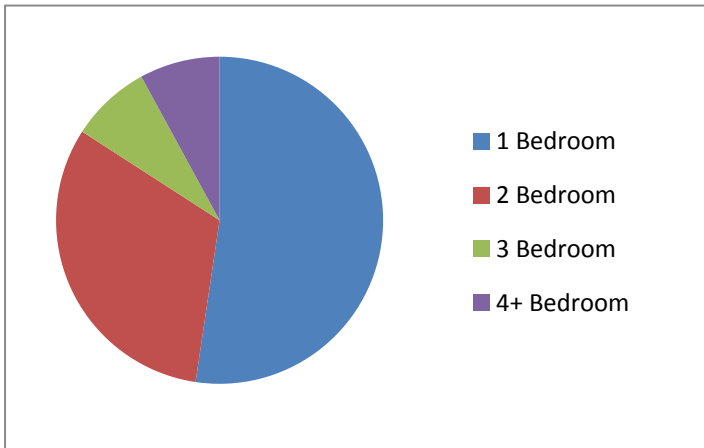| Bedroom need	Number of applicants
1	290
2	176
3	44
4+	44

This can be further shown in the charts below that illustrate the effects the removal of those with no housing need will have on the bedroom need before and after the changes.

Before-
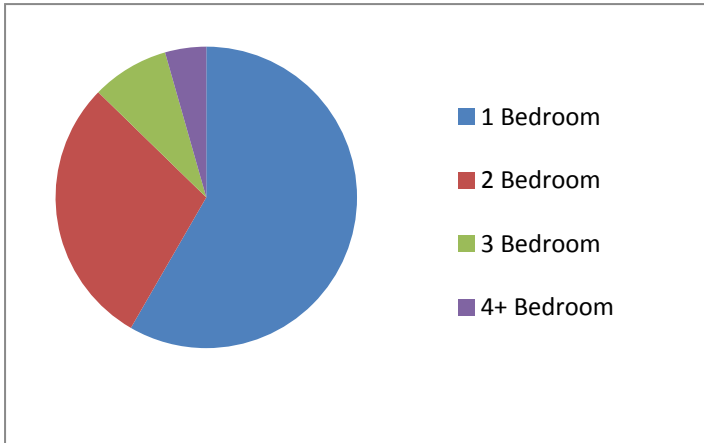
After –

Whilst this does resemble a change in the number requiring a 1bedroom property, 1 bedroom properties would still be most in demand and account for over 50% of the housing register, with 2bedroom properties also increasing in share of the demand.

Consideration of closing list to 'transfer applicants'

When exploring the impact of the allocations policy due regard was given as to whether the council should adopt to close the list to transfer applicants. The current proposal has chosen not to adopt this and still allow transfer applicants but only where there is a housing need. This has been proposed due to the increase of demand forcing applicants to resort to a mutual exchange only may have on resources and also when planning for the future based on properties that are being built and future numbers of nominations that will need to be filled.

Consideration of amending preference given to 60+ for bungalows

Due consideration was given as to whether the priority group for general needs accommodation should be amended however it was chosen not prose this at this stage in order to protect the councils adapted stock from right to buy and also based one over 60+ continue to present as a

prevailing demographic within the area and the need for accommodation suitable for the elderly will increase as population ages. Additionally there are currently no issues with these being difficult to let properties.

**Current Housing Demand and historical trends**

As of the 14th November 2018 there are currently 1426 on the housing register, this has gradually declined over the previous years due to greater management on the housing register and also changes to the allocation policy introduced 2014 which disqualified more people.

How this has declined since 2012 is demonstrated as follows:

Year ending 31st March	Households on the Housing Register
2012	2104
2013	1783
2014	1727
2015	1625
2016	1598
2017	1500
2018	1337

However the number on the housing register has increased slightly to 1426 as of the 14th November 2018.

This can be further evidenced in the graph below.

Number on Housing Register
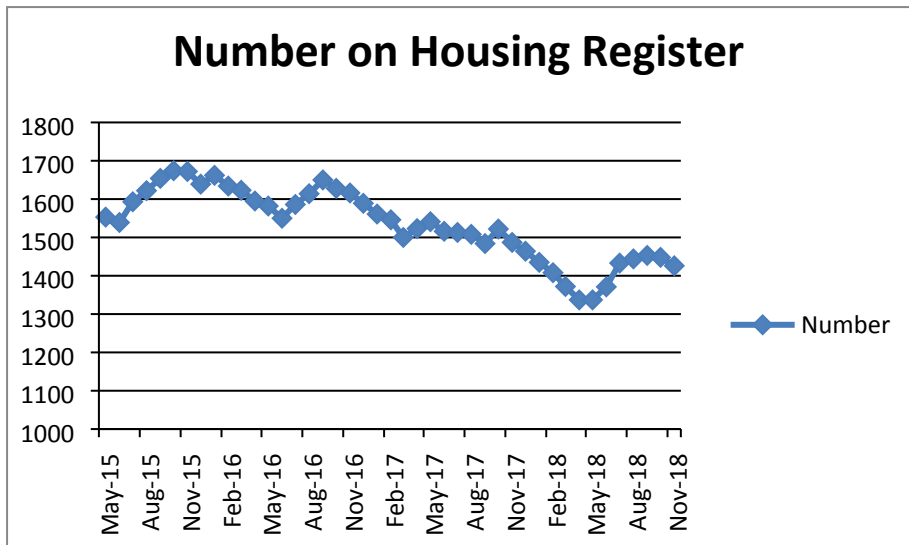
In terms of the current breakdown of the housing register and how the 1426 falls into banding categories and bedroom needs this is as follows:

Number of Applications by Band

	No of Apps
Band1	71
Band1+	3
Band2	301
Band3	214
Band4	837
Total:	1426

Number of Applications by Bedroom Needs

No of Beds	No of Apps
1	855
2	404
3	116
4	38
5	11
6	1
7	1
Total:	1426

Number of Apps by Band and Bedroom Need

Banding	Bedroom Need	No of Apps
Band1	1	41

Band1	**2**	18
Band1	**4**	2
Band1	**5**	8
Band1	**6**	1
Band1	**7**	1
Band1+	**1**	3
Band2	**1**	160
Band2	**2**	81
Band2	**3**	33
Band2	**4**	24
Band2	**5**	3
Band3	**1**	129
Band3	**2**	64
Band3	**3**	19
Band3	**4**	2
Band4	**1**	522
Band4	**2**	241
Band4	**3**	64
Band4	**4**	10
	Total:	**1426**

This page is intentionally left blank