

## **Allocations Policy Review**

### **Impact Assessment**

The allocations policy was implemented on the 10<sup>th</sup> June 2020 following approval at full council on the 19<sup>th</sup> November 2019. It was implemented following the Council undertaking extensive consultation with all stakeholders. This included involving all those on the housing register, key partners and agencies and thorough consultation with housing associations whom operate within Tamworth and who we have nomination agreements with. We also consulted with members of the public and Tamworth residents more widely via the local media, social media channels and via the Councils website.

The changes introduced represented the biggest change to the housing register in over a decade and has had a significant effect on the dynamic's of the housing register and whom was able to qualify to join the housing register or remain on the housing register. The following paper explores some of the key changes, which were introduced, demonstrating how many may be effected and the benefits that they may also have.

#### **What was changed and how this has effected the register?**

##### **Change 1- Disqualification of those with no housing need**

The largest change introduced by the new policy was to disqualify from the register those with no housing need. Whilst this did not remove Band 4 in its entirety a substantial amount of those in Band 4 were affected as it narrowed the categories of applicants within this band.

- How many were affected by this change?

As of the 1<sup>st</sup> May 2021 there are 651 applications listed as disqualified from the housing register. Of which 627 are disqualified due to the result of having no housing need. 478 of these applications were from applications received prior to the implementation of the policy, with 149 being for applicants whom have applied post implementation.

As of the end 1<sup>st</sup> May 2021 - there were 58 Applications in Band 4. Comparatively to the 1<sup>st</sup> June 2020 shortly, before the policy was implemented there were 785 applications, this therefore, represents a reduction of 727 applications.

The Council introduced this change for several reasons, as an authority the Council is trying to effectively manage demand and reduce costs and drive efficiency's. Many of those whom are disqualified from no housing need would have rarely if ever been allocated given prior to the policy implantation is was exceptionally rare for a customer to be housed who was in Band 4. Given there still retains a small number of applicants in Band 4 there is still potential for these application to be met by this pool of applications. 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. The Council will have driven some efficiency with this change given there would not be the ongoing administrative costs in managing these applications and has helped ensure only those with a housing need have been allocated social housing which is a limited resource.

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

As the policy has not yet been implemented for 12 months we are yet to be able to disqualify applicants on this ground. The policy confirmed this 12 months could only be effective and commence from the date of implementation as such those effected by this change are currently unknown.

However, the Council want the housing register to remain an active reflection of those in housing need that need to move. It is still reflective in data of the availability of properties, which have become available over the previous 12-month period that this would be sufficient available and suitable properties for households to bid on. Should a property not become available within this time this may be because of unrealistic expectations customers have on being housed in particular type properties and in restricted areas.

### **Change 3- Cancel applications where applicants refuse 3 suitable properties**

The Council included provision to disqualify applicants from the housing register who refuse 3 or more suitable properties. This was to manage demand, customer expectation and save efficiencies. The Council wanted to encourage that when applicants are bidding they are doing so on properties they have a reasonable expectation they would accept.

Since the implementation of the policy, only 1 application has been disqualified for this ground. Given in previous impact assessment pre policy 12 applications were identified that may have been at risk of being disqualified via this change, this does represent that more applicants are bidding more carefully for accommodation and only bidding on accommodation which they have a reasonable expectation would be suitable for them and which they would accept.

This therefore, provides an early indication that this change has been successful in driving culture change within the housing register in terms of their bidding. This will have also driven efficiency as prior it would have suggested more applicants would have refused accommodation which would have then caused generated more administrative time in re-letting the accommodation to other applications.

### **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. The new policy indicates there is a reasonable expectation from the Council that such applicants with this housing need and urgency to move will be housed within 2 months or at the outset 4 months.

Through analysis of those in these bands as of the 1<sup>st</sup> May 2021 there are 54 applications which are in Band 1. From analysis of Band 1 application prior to policy implementation on the 1<sup>st</sup> June 2020 there were 78 applications in Band 1 comparatively. This therefore evidences that there is more effective management of those in Band 1 given there is a circa decrease of 31% from pre policy to currently.

Whilst there does remain a contingent of those in Band 1 for longer than the 4 months anticipated time many of these require specific types of accommodation which have not become available or in some instances have 4+ bedroom need which have not become available to bid for or whilst the properties have been bid for others have been successful whom had been waiting longer.

Additionally some of them are on Band 1 due to being accepted under the incentive to move scheme, so as to encourage them to release their larger accommodation back to us they are given greater flexibility in their Band 1 status so as to further encourage this. Further work continues on Band 1 applications to identify suitable properties and work to reduce this wait time further.

Of the 54 applications in Band 1 – circa 13 of these are statutory homeless households, the remaining band 1 applications are typically those with medical needs, social needs, under occupancy or overcrowded.

### **Change 5- Amendment of cumulative preference categories**

In implementing changes to cumulative preference categories, specifically with which applications may attain Band 1+. The Council was seeking to ensure that where applicants are encountering multiple housing issues that they are adequately banded to reflect this. However, this in turn previously led to some applications being effectively double banded for the same set of circumstances effectively meaning some were inadvertently given the highest preference for under occupancy to the disadvantage of those considered statutorily homeless and in temporary accommodation. The changes have meant priority is now better balanced amongst those in Band 1 and that ultimate Band 1+ priority is retained for those injured through serving in HM forces, or those who are homeless with other exceptional circumstances.

Looking at the available data there are currently 0 applications in Band 1+. Prior to the implementation there circa 7 applications which otherwise would have taken priority over homeless households and further delayed their move which in turn may have delayed their stay in temporary accommodation for a longer period.

### **Change 6- Inclusion of Financial Threshold**

As little information was captured, regarding finances of applicants prior to the implementation of the new policy was difficult to predict the impact this change was going to have. Data analysis shows that currently 0 applications have been disqualified for their financial resources in themselves. Some of those who may have exceeded these limited may have however otherwise been disqualified for having no identified housing need.

The policy introduced 2-fold changes in regards to financial threshold-

- a) Savings threshold of £16,000  
and
- b) Income cap

- 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 income and savings levels are now reviewed for applicants joining the register from June 2020 any applicants who register prior will have this confirmed at allocations stage to ensure they still qualify. It is also important to note that whilst the income threshold includes all income, certain monies are exempt from this including disability benefits and money attributed to injury whilst serving in armed forces to name but a few.

In considering whether these thresholds continue to be appropriate it is important to note and explore the current market rent summary for Tamworth it shows the average cost of property rents within Tamworth are as follows:

<b>Average property rents in Tamworth:</b>	£690 pcm
<b>Property Rents in Tamworth by Number of Bedrooms</b>	
	<b>Average rent</b>
One bedroom	£597 pcm
Two bedrooms	£697 pcm
Three bedrooms	£829 pcm
Four bedrooms	£1200 pcm
<b>Property Rents in Tamworth by Type</b>	
	<b>Average rent</b>
Room	£535 pcm
Flat	£651 pcm
House	£781 pcm

\*\*Data taken from [Home.co.uk](https://www.home.co.uk)  
[https://www.home.co.uk/for\\_rent/tamworth/current\\_rents?location=tamworth](https://www.home.co.uk/for_rent/tamworth/current_rents?location=tamworth)

Therefor when using these figures when using the average market rent of £690 pcm this would equate to approximately 14% of the total yearly income for a family household.

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 £1380 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 is still considered to be a fair assumption.

Given that no application has been disqualified via this threshold it is important to consider if they should be lowered. However, in looking at the data, cost of private rents has largely remained quite static and combined with the economic effects of covid still too early to determine it is thought these thresholds still remain viable. This is further backed by the data in considering the costs of securing private rented accommodation and when looking at the affordability of the private sector market.

### **Change 7- Changes to qualification criteria**

As well as introducing the biggest change of disqualifying those with no housing need, the introduction of the policy also included other provision on when applicant might not consider which includes; homeowners, those with significant rent arrears and those who have committed other unacceptable behaviour.

#### **Owner Occupiers**

There are currently 22 applicants who own their own home and are therefor- disqualified from the housing register. 19 of which were applicants who were on the register prior to the rule change and so were disqualified when the policy was enacted with the further 3 applying since. All of those disqualified were provided a right of review should they have disagreed and some exemptions were also allowed.

Whilst the general rules us that homeowners shall not qualify there is also scope within the policy to allow admittance on to the housing register in exceptional circumstances. As it currently stands there are 3 applicants whom are homeowners who are currently on the register and that is because they have exceptions circumstances which mean they still qualify.

#### **Unacceptable Behaviour**

The policy allowed for applicants to not qualify where they are considered to have been guilty of unacceptable behaviour. This is only done in exceptional circumstances and any applicants to be disqualified on this basis would only be disqualified where it is heard at panel.

There is currently one 1 applicant whom is disqualified from the housing register on this basis and they were disqualified prior to the implementation of the new policy. This was for an applicant found guilty of a criminal offence.

#### **Rent Arrears**

The new policy provided provision to disqualify those with significant rent arrears of over 8weeks rent to ensure as a landlord we are rehousing responsible tenants and to encourage applicants to reduce debts owed to the Council or other landlord. This is only considered once the case has been heard at the allocations panel.

There are currently only 5 applications disqualified from the register for this circumstances. Those disqualified are regularly reviewed to establish if the debt has been reduced and then permitted onto the housing register.

The provision to disqualify on this basis also introduced the 'Allocations panel' to oversee potential disqualifications of this nature. The feedback of the panel has been extremely positive, with it comprising a round table discussion from members of staff from multi teams to make a collective decision. This includes a member attending from the housing solutions, tenancy sustainment, reviews team, Anti-social behaviour team and a safeguarding representative.

It has helped ensure decisions made by the panel have got multi-viewpoint consideration and, representatives covering the Councils landlord function, involved in the decision making process and for wider social welfare consideration to be considered as well. The feedback received is that the panel has been useful and also successful in encouraging applicants to pay off some of their debts owed to the Council which previously may not have been paid. This is also starting to encourage a culture change with other anecdotal evidence to suggest some applicants are aware of this and has encouraged them to reduce rent arrears accordingly.

#### Case Study A

As an anecdotal case study there was an applicant with 2 children, who had accrued rent arrears of several thousand pounds. We were advised she had done this as she thought if she was to be made homeless it would enable her to be housed more swiftly. When an officer advised her the level of arrears could in fact have the reverse outcome and her not qualify she repaid the rent to her landlord and this alleviated a more imminent risk of homelessness.

#### Case Study B

Miss A applied for housing in August 2020, at the point she applied she was determined not to qualify as she had rent arrears of over £1500. She was advised if she kept to a meaningful payment plan to reduce the arrears for 3months then she may be admitted to the register. By December 2020, Miss A had repaid over £1000 of her debt and therefor was admitted to the register. Her debts have now been cleared and Miss A was recently successful in one of her bids and is due to be rehoused imminently.

### **Change 8- Inclusion of new bands**

As part of the changes introduced new bandings were included as a part of the requirements of the Homeless Reduction Act 2017.

#### Relief Duty- Band 2

One of the new, bandings included was to give Band 2 to applicants owed the relief duty, whereas previously they were entitled to Band 3. Analysis shows circa 60 applicants have been successfully rehoused through the housing register whilst in Band 2 for the relief duty. This is really positive as a consequence relief rates by the authority have increased and it also meant for many the need for temporary accommodation either been alleviated or time spent on temporary accommodation otherwise reduced. This will have also meant the

homeless application would have been managed for efficiently and quickly as it negated the need for more lengthy investigations and enquiries being made to reach a main duty decision.

### **Housing Supply**

Since the policy was introduced we have rehoused 359 applicants into our own stock. With a further 240 lettings also being done to registered providers.

Of the 359 rehoused the average wait time across all property types was 66weeks. However, this number is increased somewhat as many were for applications who joined prior to the new policy but the new policy has encouraged them to bid. Of those applicants who joined the register, since the new policy was introduced the average wait is only 13 weeks which is a significant reduction.

In terms of what Bands they were in this is broken down as follows;

Band 1+	5
Band 1	111
Band 2	171
Band 3	60
Band 4	6

The remaining 6 would have been for applicants who were let via a direct match or an open let.

When looking at the average wait time across the bands this can be broken down as follows:

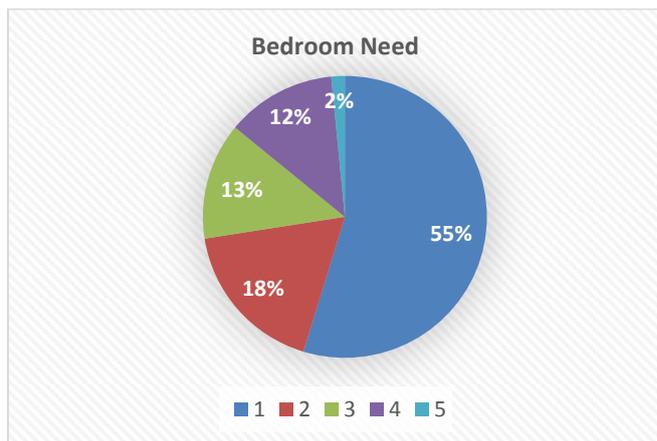
Averages	Total Average-all applications	Total applications received post Policy
Band 1+	41 weeks	n/a
Band 1	56 weeks	15 weeks
Band 2	69 weeks	15 weeks
Band 3	60 weeks	9 weeks
Band 4	73 weeks	14 weeks

This also shows the total average have been inflated by the wait time on older applications before the provision on new rules, but for applicants who have applied since the wait time has been considerably lower. It also shows given that some applicants in lower bands have been allocated properties on a shorter wait time that where applicants are bidding on all suitable and available properties and not being as specific for property type their wait time can be considerably reduced.

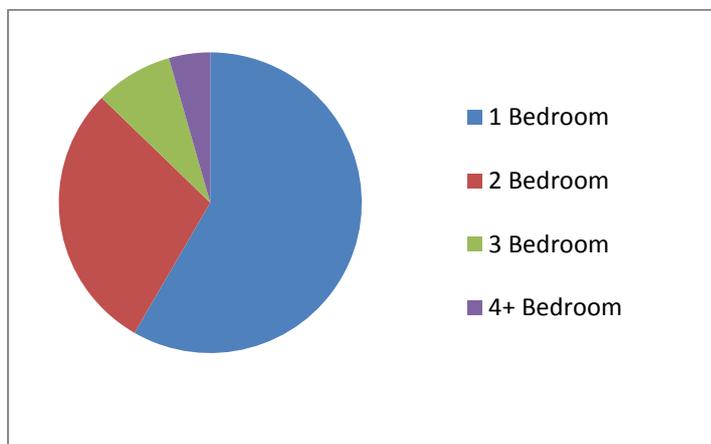
**Housing demand**

As has been consistently reported previously, the demand for 1 bedroom accommodation far outstrips the needs of any other bedroom accommodation with over 50% of the register requiring this type of property, the chart below illustrates this further. This is also largely consistent with the makeup of the bedroom need pre-policy as can be shown below.

Currently



Pre policy



These charts also suggest an emergence of need for 4+ bedroom accommodation as this has increased quite substantially from previously with now 14% requiring 4+ bedroom accommodation which is now higher than the 13% requiring 3bedroom accommodation. This trend is further expected to continue given 4bedroom accommodation becomes available far less frequently.

**Current Housing Demand and historical trends**

As 1<sup>st</sup> May 2021 there were 455 applicants on the housing register, this had 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, with the most decline then being evidence between 2020 and 2021 when the new policy was introduced

How this has declined since 2012 is demonstrated as follows:

Year ending 31 <sup>st</sup> March	Households on the Housing Register
2012	2104
2013	1783
2014	1727
2015	1625
2016	1598
2017	1500
2018	1337
2019	1535
2020	1414
2021	449

In terms of the current breakdown of the housing register and how the 455 falls into banding categories and bedroom needs this is as follows:

#### Number of Applications by Band

	No of Apps
Band1	54
Band2	211
Band3	132
Band4	58
Total:	455

#### Number of Applications by Bedroom Needs

No of Beds	No of Apps
1	249
2	81
3	61
4	57
5	7
Total:	455

#### Number of Apps by Band and Bedroom Need

### Annex 3

Application Category	No of Beds	No of Apps
Band 1	1	24
Band 1	2	6
Band 1	3	5
Band 1	4	15
Band 1	5	4
Band 2	1	95
Band 2	2	40
Band 2	3	38
Band 2	4	35
Band 2	5	3
Band 3	1	81
Band 3	2	28
Band 3	3	16
Band 3	4	7
Band 4	1	49
Band 4	2	7
Band 4	3	2

What is evident is that whilst 1 bedroom accommodation is by far in most demand it should be recognised there is a need for much larger accommodation of 4+ bedroom need properties. There are currently 19 applicants within Band 1 for this type of accommodation and they become available far less frequently than other bedroom need properties their wait time for accommodation will be far higher. Should any of these 4+ bedroom need also be in temporary accommodation their stay could be for a considerable period of time.