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| <b>Report title</b>                            | Allocations Policy Review   |   |
| <b>Decision designation</b>                    | AMBER   |   |
| <b>Cabinet member with lead responsibility</b> | Councillor Peter Bilson<br>City Assets and Housing  |   |
| <b>Key decision</b>                            | Yes   |   |
| <b>In forward plan</b>                         | Yes   |   |
| <b>Wards affected</b>                          | All Wards   |   |
| <b>Accountable Director</b>                    | Ross Cook, Director of City Environment   |   |
| <b>Originating service</b>                     | City Assets and Housing   |   |
| <b>Accountable employee</b>                    | Mila Simpson<br>Tel<br>Email  | Service Lead Housing Strategy<br>01902 554841<br><a href="mailto:mila.simpson@wolverhampton.gov.uk">mila.simpson@wolverhampton.gov.uk</a> |
| <b>Report to be/has been considered by</b>     | Better Homes Board<br>Housing and Assets Leadership Team<br>Vibrant and Sustainable City Scrutiny Panel | 8 January 2020<br>16 January 2020<br>30 January 2020  |

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### Recommendations for decision:

The Cabinet is recommended to:

1. Approve the implementation, from 1 April 2020, of the aspects of the revised Allocation Policy that are not dependant on the development of the IT system as detailed in paragraph 6.4 of the report. The remainder of the policy, that is dependant on the development of the IT system to be implemented from February 2021.
2. Delegate authority to the Cabinet Member for City Assets and Housing, in consultation with the Director for City Assets and Housing to approve any minor changes to the final policy, where any structural constraints to the IT system are identified which are not able to support implementation of minor aspects of the recommended changes.

3. Delegate authority to the Cabinet Member for City Assets and Housing, in consultation with the Director for City Assets and Housing, to make minor editorial changes to the Allocations Policy when necessary.

**Recommendations for noting:**

The Cabinet is asked to note:

1. The recommendations from the Vibrant and Sustainable City Scrutiny Panel referred to in the pre-decision scrutiny appendix 1 to the report.
2. That the Allocations Policy continues to delegate authority to the Cabinet Member for City Assets and Housing, in consultation with the Director for City Assets and Housing, to approve local lettings plans which are time limited variations to the Allocations Policy to achieve specific objectives pertaining to a local area or addressing a specific issue.

## **1.0 Purpose**

- 1.1 The purpose of this report is to seek approval from Cabinet to formally adopt a revised Allocations Policy; the scheme by which applicants on the City's housing register are prioritised for social housing. The Allocations Policy has been reviewed alongside the development of the new City Housing Strategy, adopted in October 2019, which emphasises the need to provide a range of good quality homes whilst making the best use of the social housing stock that we own.
- 1.2 This report sets out the requirement for an Allocations Policy, the process that has been involved in revising the policy and the recommendations for adoption that will assist in allocating homes in line with the Housing Strategy and making best use of stock.
- 1.3 This report also requests approval to implement identified changes that are required to be made before February 2021 to help fulfil the service's strategic aims and, are not reliant on the development of the new IT system.

## **2.0 Background**

- 2.1 Local Authorities are required by the Housing Act 1996 to have a scheme for determining priorities, and the procedure to be followed, in allocating housing accommodation both to first time applicants and transferring tenants including nominations to Registered Providers (Housing Associations); the Allocations Policy. The Council's Allocations Policy as a choice based letting (CBL) scheme was adopted in 2007 and has been subject to periodic updates to ensure it keeps abreast of changing legislation and external challenges and, was last amended in April 2018 to account for new duties introduced through the Homelessness Reduction Act.
- 2.2 City of Wolverhampton Council (CWC) own 22,280 properties within the city, that are managed across five managing agents; Wolverhampton Homes and the city's four tenant management organisations (TMOs), who are all required to allocate and let the properties they manage in accordance with the Allocation Policy. Of these Council owned homes, 1,537 became available to let during 2018-2019; a number which reduces year on year. This is compounded by an average loss of 250 properties per year through the Right to Buy. This serves to reduce the number of people that can be assisted into homes through the Council's scheme, but with 8,700 households on the housing register (as at November 2019) of which half are assessed as having no housing need there is also a need to manage people's expectations.
- 2.3 Since the introduction of the Homelessness Reduction Act in April 2018 there has been an increase in the number of households being placed in temporary accommodation and notably the use of bed and breakfast to accommodate larger families, exerting greater demand on those homes that do become available to relieve pressure for those most in housing need.

### **3.0 Reviewing the Allocations Policy**

- 3.1 The first wholesale review of the current Allocations Policy was initiated in January 2019. A steering group was established with representation from Housing Strategy, Legal Services, Wolverhampton Homes and the city's tenant management organisations (TMOs) who worked through a range of evidence and analysis which demonstrated the increased demand and reduced supply of social housing, as well as case law and guidance, which concluded that the current Allocations Policy as a CBL scheme remains fit for purpose but could be improved to better meet the current needs of the city's residents most in need of affordable housing. Based on the work of the steering group a number of proposed changes to the Allocations Policy were put forward for consultation.
- 3.2 Consultation on the proposals was undertaken across September and October 2019 for a six-week period and included detailed discussions with senior officers, presentation at Vibrant and Sustainable City Scrutiny, Equality Advisory Group and Council Leadership Teams. A letter was sent to all Councillors setting out the proposals. An online survey was made available to members of the public (also available in hard copy) and a sample of 1,000 households from the housing register were written to, to encourage their participation. In addition, the proposals were shared with a wide range of stakeholders including Lettings Officers and Housing Options Officers, Registered Housing Provider partners, Social Care officers, Wolverhampton Federation of Tenants Association and members of the Children and Families Together board), who were encouraged to feedback their views. A summary of the key changes made to the proposals resulting from the consultation is set out at appendix 4.
- 3.3 The final recommendations were presented to the Vibrant and Sustainable City Scrutiny Panel on 30 January 2020 for pre-decision scrutiny. The panel recommended that the new Allocations Policy should be amended to allow applicants to bid and accept an offer of housing if in arrears of up to the average of six weeks rent of a Council property, rather than the proposed four weeks; £400. As this is to account for the six weeks wait period for the initial payment of Universal Credit and the impact this can have on arrears, the Allocations Policy has been amended so that any applicant who owes debts of more than £400 to a Council or Registered Provider or more than £600 where Universal Credit is a contributing factor, will be given lesser preference, which means their application will be suspended until the affected criteria has been resolved or a repayment plan has been adhered to for at least 3 months.
- 3.4 The Panel also noted their concerns over the recommendation to remove the local connection lettings variation of the current policy. Whilst their concerns are recognised it is still recommended this is removed in order to meet the policy objectives. Further analysis on the implications of its removal will be provided to the Scrutiny Panel during the policy's implementation period.

## 4.0 Revised Allocations Policy Objectives

- 4.1 As part of the review five new policy objectives are proposed, which reflect the need for the Council to make best use of its homes, whilst meeting its statutory responsibilities:
- i. Ensure people in the greatest housing need have the greatest opportunity to access suitable housing that best meets their needs.
  - ii. Make use of a range of housing options and tenures to prevent and relieve homelessness.
  - iii. Make best use of the Council's and partner registered providers housing stock.
  - iv. Manage applicants' expectations by being realistic about stock availability, to support them in making informed choices about their housing options, and the extent to which they are able to express reasonable preference.
  - v. Ensure that the Council's legal duties and corporate responsibilities are met and that they contribute to delivering the Council's priorities.
- 4.2 To achieve these objectives, the Council will provide advice and information to enable applicants to make informed and realistic choices, making use of a range of housing options and tenures to alleviate their housing needs.
- 4.3 The final recommendations being put forward are driven by their alignment with these objectives.

## 5.0 Proposed Changes

- 5.1 A breakdown of all the recommended changes to the Allocations Policy are set out at appendix 2. Below is a summary of the key recommendations and how they link to the revised objectives.
- 5.2 **Assisting those in greatest need** - Currently applicants on the Council's housing register are assessed against criteria set out in the Allocations Policy which awards them a level of priority from one of five bands; Emergency Band, Band 1 through to Band 4 no housing need. To support the Council in meeting its Legal and Corporate responsibilities it is recommended that a new band is created, 'Emergency Plus', that will give the greatest priority for housing to applicants with a full homelessness duty who are also care leavers, members of the armed forces, require a substantially adapted property, or anyone who requires immediate rehousing due to a significant threat to life, to ensure those with the highest level of need are given the most priority. Of the 213 respondents to the online survey, 78% agreed with this proposal.
- 5.3 It is recommended that the level of arrears an applicant can be in before they are excluded from the housing register or their priority demoted be increased from £60 to £400. This is aligned to an average of four weeks rent which is a more realistic level taking into account the impact moving on to Universal Credit can have on arrears. This

will enable households that could be in significant housing need to bid and accept offers of accommodation.

- 5.4 **Corporate Parenting** - To further support the Council in its role as Corporate Parent, there are further proposals to give priority to those residents committed to adopting and fostering to enable them to access appropriately sized homes if needed (59% of respondents to the online survey supported this proposal) as well as increasing the priority given to Care Leavers on the housing register to assist them in securing a settled home (64% of respondents to the online survey agreed).
- 5.5 **Overcrowding** - A more consistent and fair approach is being recommended for households that are overcrowded. This includes allowing the largest overcrowded families to improve their housing situation by moving to a property where they may still over-occupy but to a lesser extent than before, to help reduce the amount of time they are severely overcrowded (64% support from the online survey). It is recommended that the priority of overcrowded families living in one-bedroom properties is increased (84% support from the online survey) and that overcrowded households are awarded greater priority than households that do not have access to a private garden, which is not currently the case (55% support from the online survey).
- 5.6 **Best use of homes** - A number of recommendations intend to make best use of the affordable homes in the City, helping to reduce waiting times for some of the most needed property types. For example, due to the limited number of level access properties that become available to let, it is recommended that ground floor flats are given priority to those with a mobility requirement, rather than the current approach of giving priority to those aged 55 or over.
- 5.7 The current Allocations Policy prioritises a quarter of homes advertised based on a household's local connection to the neighbourhood the home is located in, over the need to be housed in suitable accommodation. So that people in the greatest housing need have the greatest opportunity to access a suitable home, it was proposed that this local connection allowance is removed. As the Council operates a choice-based lettings allocation scheme, applicants retain the choice as to the location of properties on which they bid. Furthermore, the Allocations Policy gives priority to applicants that need to move to a location to be in close proximity to provide essential care to someone. This change will also reduce potential equality implications that could arise as the number and type of social housing is spread disproportionately across the city. With 43% of respondents to the online survey in agreement and 43.6% in disagreement, considered in conjunction with the stakeholder feedback and the potential equality issues this presents it is recommended it is removed.
- 5.8 **Managing expectations** – Band 4 is currently awarded to applicants that are assessed as having no housing need and so are awarded the least level of priority for housing. Applicants in Band 4 however are successful for on average 10% of all lettings in a year. It is recommended that the housing register no longer operates Band 4, with applicants

needing to demonstrate the level of housing need required for the remaining priority Bands within the policy to access the housing register. With 98% of applicants in Band 4 (around 5,000 households) unlikely to receive an offer of accommodation this will better manage those residents' expectations with advice given on their available housing options such as quality private rental properties through Rent with Confidence or home ownership, including the packages of assistance that can make it more affordable. This will also help manage demand and ensure those with the greatest priority are better able to access homes. In addition, 64% of respondents to the online survey agreed with this recommendation.

- 5.9 It is proposed to reduce the number of refusals an applicant can make when successful in their bid for a property from three bids to two bids before their application is suspended for a period of six months (currently three months). As applicants can only bid on homes they are eligible for, this should encourage applicants to make informed and realistic decisions when placing bids on properties in terms of property type and location (greatest reason for refusal), speeding up the time the successful and committed applicants can be housed and reducing the administrative burden of pursuing applicants that have no real interest in the property. 73% of survey respondents supported this proposal.
- 5.10 It is also recommended that the Council retains the right to temporarily prevent applicants from bidding on properties in particular areas or of particular types where there is evidence of a threat to the safety of themselves and/or others. This will assist in applicants accessing housing suitable for their needs and will be applied on a case by case basis, be regularly reviewed and open to review should the applicant request it.

## **6.0 Implementation**

- 6.1 In order to implement the proposed change to the Allocations Policy, significant structural changes will be required to the housing management system, Northgate, that is used to maintain the housing register and advertise and allocate properties. The role of the steering group has been extended, with the additional membership of Wolverhampton Homes Systems Development to manage this process, which will include a system build, user testing, training and implementation.
- 6.2 In addition to changes to the IT system, a number of operational actions will also be required. All existing applicants will need to be reassessed, including the applicants in Band 4 to ensure their circumstances have not changed or that they meet any new qualifying criteria and should be reassessed into a remaining Band. This will be supported with a robust communications plan and support available for any vulnerable applicants so that all applicants in housing need are assessed and awarded the appropriate level of priority on the housing register. Applicants will have the usual recourse to a formal review should their Band change or they are assessed as having no housing need and it is anticipated that there will be a temporary uplift in officer time for associated reviews, front end training and enquiries.

- 6.3 Project management of the IT and operational changes necessary to implement the recommendations is planned to take 12 months. This report seeks delegated authority to the Cabinet member for City Assets and Housing, in consultation with the Director for City Assets and Housing to approve any changes to the final Allocations Policy necessary due to structural constraints of the IT system that are not able to support implementation of minor aspects of the recommended changes.
- 6.4 A number of changes have been identified that are not reliant on amendments to the Northgate IT system and are required to be made before February 2021 to help fulfil the service's strategic aims. It is recommended that the following changes are implemented from April 2020, therefore the existing Allocations Policy will be amended and published to include the following amendments:
- i. The updated policy objectives;
  - ii. A new banding for foster carers and adopters to give them additional priority where a larger property is required in order for them to foster or adopt.
  - iii. Directly allocating properties that have been purchased by the Council for the purposes of estate redevelopment or renewal approved as part of separate Cabinet approval.
  - iv. Priority for residents living in Houses of Multiple Occupation to be limited to families with children and people of pensionable age.
  - v. Reducing the number of offers that can be refused from three to two before suspending an application for six months.
  - vi. Priority for ground floor flats being limited to applicants with a requirement for level access housing.
  - vii. The removal of offering priority to applicants in two properties moving into one property due to its under usage.
  - viii. The removal of an automated phone line for placing bids; the least used method with several alternative methods in place.
- 6.5 The implementation of the revised Allocations Policy will be overseen by CWC's Better Homes Board, which is chaired by the Director City Assets and Housing and includes representation from the Chief Executive of Wolverhampton Homes and the TMOs.

## **7.0 Evaluation of alternative options**

- 7.1 Option one would be to adopt the revised Allocations Policy as detailed in Appendix 3 with early implementation of those recommendations requiring no IT system development from April 2020 and full rollout of the policy by February 2021. This will ensure the Council is meeting its legislative requirements and is responding to the current operating environment as reflected by the revised policy objectives, including making best use of homes and ensuring those in the greatest housing need have the greatest opportunity for accessing suitable accommodation.
- 7.2 Option two would be to adopt the revised Allocations Policy as detailed in Appendix 3 and implement it all from February 2021 once all structural changes have been made to the IT system. Whilst this would ensure the Council is meeting its legislative requirements

and is responding to the current operating environment as reflected by the revised policy objectives, it would delay the benefits of implementing aspects of the policy that can be rolled out immediately by making the current Allocations Policy more fit for purpose and responsive to the external environment than it is currently.

- 7.3 Option three would be to make no change to the existing policy. This would result in the allocation of the approximately 1,200 properties that become available to let in a year not being let in accordance with what has been determined as best use of stock and meeting greatest housing needs in the City based on the most recent assessment of the local environment and need for affordable housing.

## **8.0 Reasons for decision**

Option one will ensure the Allocations Policy remains as fit for purpose as it can be dependent on the development of the IT system. This is important as allocations policies make decisions that change people's lives and housing opportunities and so need to reflect the latest legislation, regulation, case law and the local market.

## **9.0 Financial implications**

- 9.1 There will be some one-off costs for development to the Northgate system managed by Wolverhampton Homes to enable the changes to be implemented. Estimated costs are in the region of £10,000 and will be charged to the existing Housing Revenue Account budget. Costs relating to changes in waiting list eligibility can be met from existing budgets.
- 9.2 The changes to the allocations policy will result in the better use of housing stock by ensuring council homes that become available are allocated to those most in need. This will result in efficiencies to the lettings process and also may help to reduce the demand of those in need for support from general fund services.

[JM/08012020/L]

## **10.0 Legal implications**

- 10.1 The Council as a Local Housing Authority is required to allocate housing accommodation in accordance with Part VI of the Housing Act 1996. Section 167 of the Act requires the Authority to have an allocation scheme and to allocate housing accommodation in accordance with the Scheme.

[RP/08012020/A]

## **11.0 Equalities implications**

- 11.1 An equalities analysis has been undertaken, which demonstrates the positive intentions of the changes to the Allocations Policy. There will be ongoing liaison with CWC's Equalities Team throughout the development and implementation phase of the Allocations Policy to ensure applicants are clearly communicated with and are supported in the reassessment of their housing application where needed, so that those vulnerable people with housing needs receive the appropriate priority on the housing register.

## **12.0 Environmental implications**

12.1 There are no environmental implications arising from this report.

## **13.0 Human resources implications**

13.1 Implementation of the revised Allocations Policy will come from existing CWC, Wolverhampton Homes and TMO officers. Some development support will be required from Northgate as set out in the Financial Implications section of the report.

## **14.0 Corporate landlord implications**

14.1 This report is related to properties within the Housing Revenue Account and so has no Corporate Landlord implications.

## **15.0 Health and Wellbeing Implications**

15.1 Revisions to the Allocations Policy aim to give those in greatest housing need the greatest opportunity for accessing suitable housing. This can help alleviate issues such as homelessness, overcrowding and the need for an accessible home. Satisfying households housing needs should have a positive impact on their health and wellbeing.

## **16.0 Schedule of background papers**

16.1 5 September 2019, Housing Allocations Policy Briefing Note, Vibrant and Sustainable City Scrutiny Panel

16.2 17 September 2019, Housing Allocations Policy Briefing Note, Equalities Advisory Group

## **17.0 Appendices**

17.1 Appendix 1 – *Recommendations from Vibrant and Sustainable Scrutiny Panel*

17.2 Appendix 2 – *Summary of recommended revisions to the Allocations Policy*

17.3 Appendix 3 – *Allocations Policy February 2021*

17.4 Appendix 4 – *Summary of consultation responses on the Allocations Policy*