

SAFER NEIGHBOURHOODS AND ACTIVE COMMUNITIES SCRUTINY BOARD

Review of the housing allocations policy
21 February 2019

Neville Rowe – Housing Strategy & Research Manager



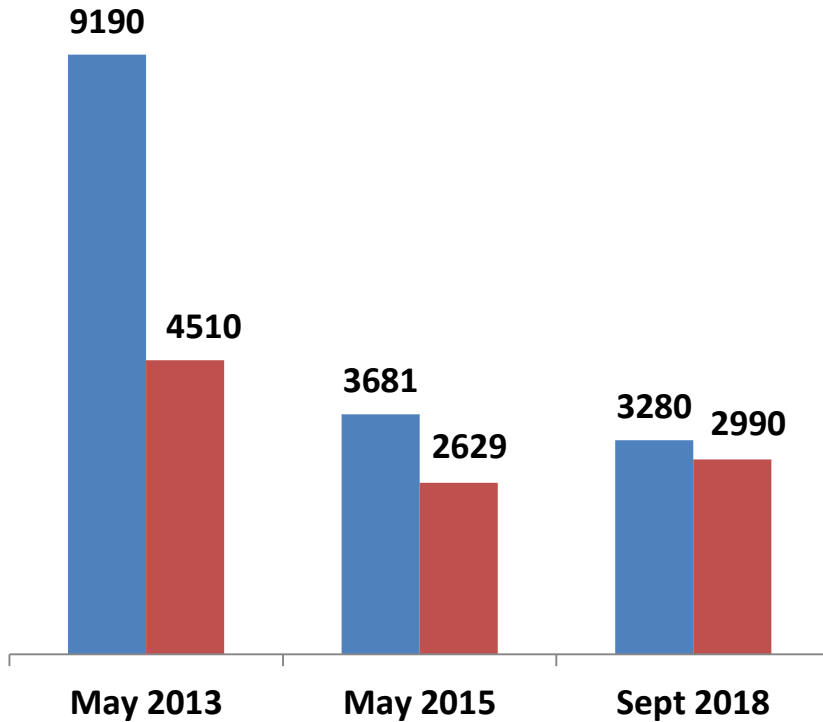
Previous review....

- Current policy came into force April 2013
- Key amendments in 2013 revision were:
 - **Five year residency test**
 - **Making better use of stock**
 - Extending Band One priority to all households under-occupying a house
 - 3&4 bed houses restricted to households with children U16
 - Greater priority to households with children in flats
 - Greater priority to overcrowded households

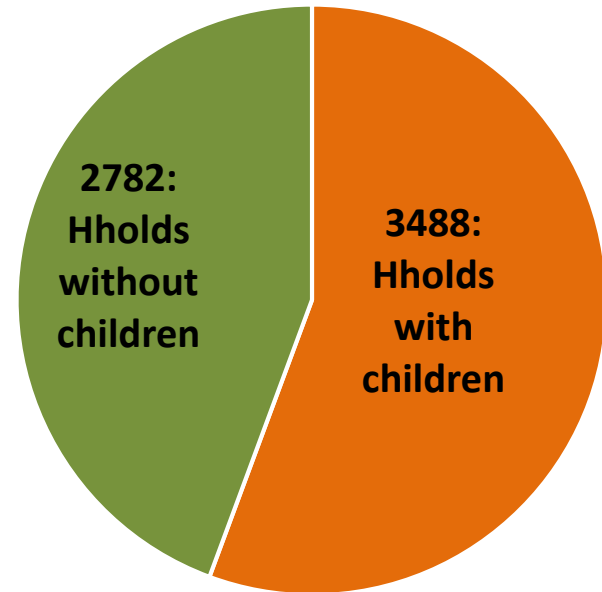


Housing Register...

■ Applicant ■ Transfer

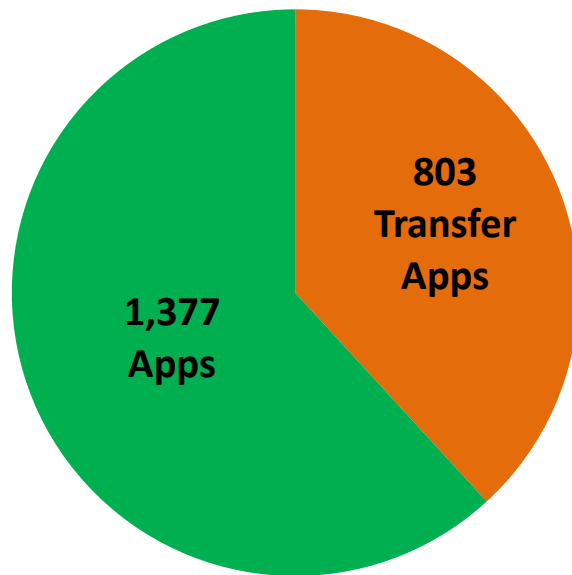


Households with/without children
Sept 2018

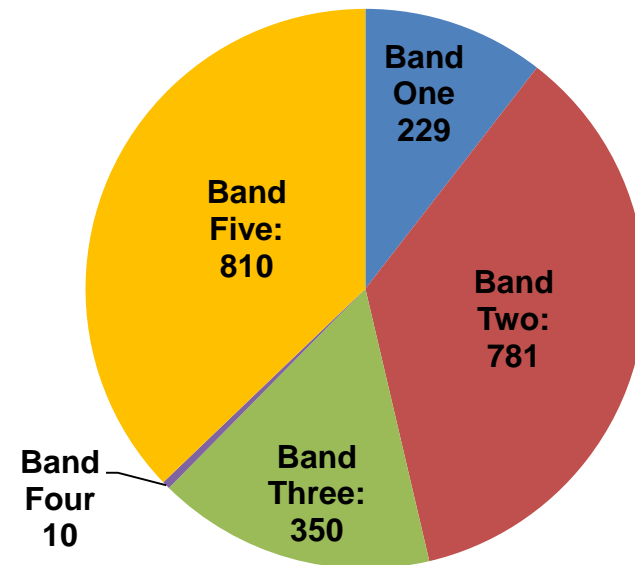


Lettings 2017/18...

By Applicant/Transfer:



By Priority Band:



Demand 2017/18.....

Average (mean) bids by property type/town area:

<i>Property Type</i>	<u>Town Area</u>					
	Oldbury	Rowley	Smethwick	Tipton	Wednesbury	West Bromwich
Bungalow	17	13	15	9	24	22
Flat	10	13	13	17	14	24
Maisonette	42	-	73	30	33	57
House	171	108	136	106	147	178



Affordability in Private Rented Sector (PRS) becoming a major issue

- Households reliant on LHA have increasing difficulty accessing private rented sector (PRS):

Average Weekly Lower Quartile Market Rents 2015 and 2017 against weekly Local Housing Allowance Rates:

Bedroom Number	2015 Lower Quartile (£) <i>(Hometrack 2015)</i>	2017 Lower Quartile (£) <i>(Hometrack 2017)</i>	Local Housing Allowance (£) <i>(Frozen until 2020)</i>	Weekly affordability gap
One	86	104	86	-£18
Two	114	121	105	-£16
Three	127	138	120	-£18
Four	172	167	151	-£16



Impact of 5 Year Residency Test

- Many households caught up in the PRS affordability trap are also excluded from the housing register on account of the residency test/*ability* to provide proof
- Acts as a significant administrative burden both on the Council and the applicant and leads to process delays
- Residency test acting as a growth stimulant for the private rented sector as it targets the excluded cohort above
 - Sandwell ranked 56/391 local authorities in Great Britain (excl. Northern Ireland) for rental market activity (*Hometrack 2017*)
 - Recent (2018) BRE Study found 26% of entire Sandwell housing stock is privately rented. This equates to a third of all privately owned stock in the borough.



Challenges ahead.....

Age restriction/customer base mismatch (1)

	<u>One Bedroom Flats</u>		<u>Two bedroom Flats</u>		<u>Average No. Bids 2017/18</u>
	Total Flats	% 40+ age	Total Flats	% 40+ age	
Oldbury	908	91	883	72	10
Rowley	857	98	825	29	13
Smethwick	694	40	501	57	13
Tipton	1083	42	838	24	17
Wednesbury	556	62	125	75	14
West Brom	1800	29	1245	28	24
TOTAL	5898	55	4417	41	-
No. Applicants on register aged <40 (Sept 18): 2275 (70%)			No. Applicants on register aged >40 (Sept 18): 1005 (30%)		
*Exclude Out of Borough Applicants					



Stock/Customer Base mismatch in terms of age restriction (2)

- 70% of applicants are excluded from typical 'entry level stock type'
- Ability to house Looked After Children, persons seeking move-on
- Council's ability to meet requirements of Homelessness Reduction Act



Review timeline/process

- Set up a review group
- Managing Agents Forum (TMO's & Riverside)
- Sandwell Community Information & Participation Service
- Web Portal
- Supported Housing Providers
- Focus group for registered providers
- Scrutiny Board June
- Cabinet approval sought 26 June
- 10 week lead in for policy to take effect



Policy Review Options (1)

Support residents to meet the growing affordability gap & increase applicant share of the housing register

1. Review the five year residency test:

- Remove the test altogether
- introducing a new band (that will sit below all other bands in terms of priority) to capture general needs applicants who do not meet the 5-year residency test.
- Reducing the length of residency required
- Restrict the application of the residency test to houses



Policy Review Options (2)

Address stock/customer base mismatch

1. Review age restrictions placed on flatted stock, and in particular factoring the impact on:
 - Looked After Children and other vulnerable persons
 - The Council's ability to meet requirements of the Homelessness Reduction Act
 - Persons seeking to move-on from supported housing
 - The wider impact of the growing affordability gap with regard to the private rental market
2. Amend policy itself to add greater flexibility where age restrictions apply, particularly when the age requirement is exhausted within the bidding pool



Policy Review Options (3)

1. Align policy to ensure it does not discriminate against vulnerable persons:

- ensure it does not discriminate against persons accessing Council led schemes e.g. Housing First
- Permit persons in care to remain on the register irrespective of bidding activity
- Align policy with requirements of the Homelessness Reduction Act

2. Continue to enhance best use of existing stock

- enable households to downsize from four bed to three bed houses irrespective of household make-up
- Apply a 12 month tenancy qualification to re-join the register (except if in Bands One to Four)



Policy Review Options (4)

1. Introduce delegated powers to the Director of Housing and Communities and the Cabinet Member for Housing to make minor alterations to the policy.
2. Prohibit offers of accommodation to existing tenants in rent arrears. This will not apply to households in Priority Band One or Band Two and persons seeking housing in order to receive care and support from a Council approved scheme or Government programme
3. Award priority to key workers or persons who are economically active



Any Questions?

