



**Sandwell**  
Metropolitan Borough Council

**Safer Neighbourhoods  
and Active Communities  
Scrutiny Board**

**Thursday 6 February, 2019 at 5.45pm  
in Committee Room 1  
at the Sandwell Council House, Oldbury**

**Agenda**

(Open to Public and Press)

1. Apologies for absence.
2. Members to declare:-
  - (a) any interest in matters to be discussed at the meeting;
  - (b) the existence and nature of any political Party Whip on any matter to be considered at the meeting.
3. Adoption of Revised Housing Allocations Policy.

**D Stevens**  
**Chief Executive**

Sandwell Council House  
Freeth Street  
Oldbury  
West Midlands

**Distribution:**

Councillors Moore (Chair);

Councillor P M Hughes (Vice-Chair);

Councillors Akhter, Bawa, Bostan, Edwards, M Gill, S Jones, Padda, Sandars and M Yaseen.

Co-opted Member:-

Mr J Cash

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## **Safer Neighbourhoods and Active Communities Scrutiny Board**

### **Apologies for Absence**

The Board will receive any apologies for absence from the members of the Board.

## **Safer Neighbourhoods and Active Communities Scrutiny Board**

### **Declaration of Interests**

Members to declare:-

- (a) any interest in matters to be discussed at the meeting;
- (b) the existence and nature of any political Party Whip on any matter to be considered at the meeting.

# REPORT TO

## SAFER NEIGHBOURHOODS AND ACTIVE COMMUNITIES SCRUTINY BOARD

**6 February 2020**

<b>Subject:</b>	Adoption of Revised Housing Allocations Policy
<b>Cabinet Portfolio:</b>	Cabinet Member for Homes Councillor Joanne Hadley
<b>Director:</b>	Director for Housing and Communities Alan Caddick
<b>Contribution towards Vision 2030:</b>	 
<b>Contact Officer(s):</b>	Neville Rowe – Housing Strategy & Research Manager Tel: 0121 560 5190 E-mail: <a href="mailto:neville_rowe@sandwell.gov.uk">neville_rowe@sandwell.gov.uk</a>

### DECISION RECOMMENDATIONS

**That the Safer Neighbourhoods and Active Communities Scrutiny Board:**

1. Consider and comment upon the policy amendments as set out in section 4 of this report;
2. Recommends that Cabinet approves the said policy amendments.

## 1 PURPOSE OF THE REPORT

- 1.1 Officers of the Council have concluded an extensive review of the Council's Housing Allocations Policy and a report outlining a set of proposed policy amendments is shortly to be submitted for consideration by Cabinet on 26 February. This report outlines the proposed amendments.

## **2 IMPLICATIONS FOR VISION 2030**

- 2.1 A decent affordable home is a central component from which to build a stable life and to participate more readily in all forms of daily life that in turn will have a direct and positive impact on Sandwell's Vision. In particular, the policy will impact on Ambitions Two and Five.

## **3 BACKGROUND AND MAIN CONSIDERATIONS**

- 3.1 The current Housing Allocations Policy came into force in April 2013. Broadly speaking the policy has consistently met its objectives with a representative distribution of households accessing accommodation according to their respective housing need. However, the introduction of the Homelessness Reduction Act 2017 together with the wider impacts of an evolving local housing market and its associated impacts on both local people and the Council's corporate responsibilities have formed the central focus of the review (detailed in Section 4).
- 3.2 This report sets out the reasons and processes by which the review has been undertaken together with the proposed amendments.

## **4 THE CURRENT POSITION**

- 4.1 Based on the factors outlined in Section 3.1 above, the review and its proposed amendments have been centred on:

- Enhancing the Council's ability to prevent homelessness.
- Aligning policy with current legislation
- Enhancing the Council's ability to support vulnerable persons
- Making the policy more efficient and fit for purpose
- Continuing to make the best use of existing stock

In recent times, it has become clear that the policy needs to be more responsive to the evolving local housing market and the increasing pressures and demands that this is having on local people and Council services. This applies in particular with regard to the Council's corporate responsibilities around preventing homelessness and supporting vulnerable people. It is also apparent that some processes that form part of the current policy are very time consuming for staff to process and gatekeep and this in turn is diverting resources that could be used more purposefully on providing advice and assistance on housing solutions to customers.

- 4.2 The review has been both data-led and consultation-led and for the former the data available has highlighted a number of trends that have been factored into the review; most notably:

- **A continued decline in overall lettings caused by fewer properties becoming available for let** – this has led to a reduction in lettings to new tenants by around 23% compared to 2014/15
- **Continued pressure on the use of temporary accommodation** – summer peak of 130 households in August but reduced to 114 by mid-October
- **High levels of demand for houses** – Average number of bids for flats across 6 towns varies between 10 and 21 whilst the same comparison with houses was 111 to 217.
- **Stock access and demand restricted by age restrictions** – half the flatted stock is excluded from anyone below the age of 40. 70% of applicants on the housing register are aged 40 or below.
- **Continued reduction in the number of households on the housing register** – since 2013 the number of applicants has consistently dropped by about two-thirds of the 2013 level (9,190 in 2013: 3,409 in 2019) and has subsequently to a housing register that has had a consistent 50:50 split between applicants and existing tenants.
- **A continued growth in affordability pressures experienced in the private rented sector** – Since 2013 private sector rents have continued to increase in the face of continuing welfare austerity measures, in particular the freezing of the local housing allowance in 2016. It is clear that many households excluded from accessing the housing register on account of the five-year residency test are also caught up in the growing affordability pressures experienced in the private rented sector (PRS). Tenancy termination in the PRS is now the most common causal factor behind homeless presentations in the borough.

4.3 Following the conclusion of the policy review the proposed amendments are set below.

4.4 **Aligning policy with legislative requirements.** From April 2018, the Homelessness Reduction Act 2017 took effect and placed additional homelessness duties on the local authority. The Act introduces three major new duties, two of which - the introduction of a new relief duty and prevention duty - require incorporating within the revised policy. It is proposed that those households who qualify for these new duties will qualify for Priority Bands Two and Three respectively.

**4.5 Enhancing the Council's ability to prevent homelessness.** As housing market pressures continue to grow, in particular around affordability, the Council needs where possible to enhance its ability to prevent homelessness - tenancy termination in the private rented sector is currently the most prevalent cause of homelessness in Sandwell. It is proposed to enhance this capacity by:

- Reducing the five-year residency test currently applied to applicants with general needs to two years. This test would apply at the point of applicant registration.
- Reviewing the use of age restrictions on flatted stock. Around 70% of applicants on the housing register are below the age of 40 and a significant amount of the Council's flatted stock types have age restrictions that exclude people below the age of 40.
- Reducing from 50% to 30% the quota of houses allocated using the date of registration order as the sole determining factor. This will enhance the Council's capacity to meet its statutory obligations by allowing for more houses to be allocated on the basis of housing need.

**4.6 Enhancing the Council's ability to support vulnerable persons.** In order to enable the Council to continue to meet its corporate responsibilities and to fulfil the housing related needs to support vulnerable people it is proposed to adopt the following amendments to the policy:

- Enable persons from selected non-commissioned supported housing schemes to join the housing register under the move-on priority.
- Enable the Children's Trust to make direct referrals to Housing Solutions when they are satisfied the young person is 'tenant ready' to apply for housing.
- To enable all 'looked after children' who are supported by the Council to access Priority Band One.
- To introduce the option to waive any non-qualification rule (where it would be legally compliant to do so) to persons seeking housing in order to receive care and support from a Council approved scheme or Government programme, for example Housing First.

**4.7 Making the policy more efficient and fit for purpose.** For some time now it has become apparent that some processes that form part of the current policy are very time consuming for staff to process and gatekeep and this in turn is diverting resources that could otherwise be used more purposefully on providing advice and assistance to customers. In this context, the following amendments are proposed:

- Introduce delegated powers for the Director & Cabinet Member to make minor policy alterations
- To give the Council the authority to amend the level of applicant priority based on its current relevance to the individual's need and to undertake periodic assessments of individual bidding activity and from this assessment to reserve the right to review and amend the level of priority.
- To provide more detail and clarity within the policy around the relevant housing needs that will or will not qualify a person for one of the statutory Reasonable Preference groups. In 2017 an external assessment of the policy concluded that whilst the policy was legally compliant, greater clarification and guidance was required within the policy in order to clarify who would qualify for statutory Reasonable Preference and who would not. Further detail has been added to the revised policy and this is most notably set out in Section D.
- Remove the income means test but retain the equity test for housing register qualification.
- Remove the requirement for people on the housing register to make a bid every 12-months.
- Reduce the five-year residency test currently applied to applicants with general needs to two years as set out in paragraph 4.5 above.

**4.8 Continue to make the best use of existing stock.** Since the introduction of the existing policy the Council has re-housed over 2.6k households in the social housing sector into accommodation that better meets their needs. These moves have largely been facilitated by the enhanced priority given to households who wish to downsize to smaller homes. However, in addition, the findings of the review have proposed that the policy:

- Introduces a 2-year waiting time before people can re-join the housing register from the point that they secure a property unless their housing needs changes such that they qualify for one of the priority groups.
- Introduces 'Sensitive Lettings' following ASB evictions. While all allocations are managed with sensitivity, it is anticipated that some allocations will be extremely sensitive due to the behaviour of previous residents or the specific circumstances of the immediate neighbours. Extra safeguards will be applied (known as 'Sensitive Lettings') to ensure that future tenancies are sustainable and that the local area has an opportunity to recover from previous difficulties.
- Enable households where no member is aged 16 or below to downsize from a four-bedroom house to a three-bedroom house.
- Make better use of direct offers, in particular targeting those in temporary accommodation, preventing children from otherwise going into care and households in need of adapted accommodation.

## **5 CONSULTATION (CUSTOMERS AND OTHER STAKEHOLDERS)**

- 5.1 The revised policy has been drafted following extensive consultation with both partner organisations and local residents. In terms of partner organisations, a programme of consultation has been undertaken involving local housing management organisations, the Tenant Review Panel, the Sandwell Community and Information Participation Service (SCIPS) and those housing associations who are signed-up to the Nominations Agreement.
- 5.2 As part of the review the Council has also facilitated an on-line survey asking a series of questions directly related to the proposed policy amendments. The survey was publicised amongst local tenant and resident groups, local housing associations and staff within the Council. To engage more widely with local residents, a text message with the website link was sent to all households currently listed on the Council's housing register where a mobile telephone number was held on record. Records show that around 5k text messages were sent, representing a coverage of around 80% of households currently on the housing register.
- 5.3 The survey was closed on 13 December, at which point 678 respondents had accessed the weblink of which 637 (94%) went on to complete the on-line questionnaire of which over 80% were either applicants or existing tenants. As stated above, the first nine questions in the survey were directly related to proposed policy amendments/changes that are outlined in this report.
- 5.4 All of the proposals referred to in the survey received broad to strong support ranging from a combined Strongly Agree/Agree score of 56.2% in favour of retaining the property equity means test but not continuing with the income means test to an equivalent 79.8% score in favour of introducing Sensitive Lettings. Of note, 63% were in favour of reducing the five-year residency test from five years to two, whilst 23.4% either disagreed or strongly disagreed with this proposal

## **6 ALTERNATIVE OPTIONS**

- 6.1 There are no alternative options. The Housing Act 1996, as amended, requires all local authorities to make housing allocations and nominations in accordance with an Allocations Policy. The policy must give Reasonable Preference to groups in high levels of assessed housing need. Section 166A (2) of the Housing Act 1996 also provides that an allocation scheme must include the opportunity for applicants to express preferences about the accommodation to be allocated to them.

## **7 STRATEGIC RESOURCE IMPLICATIONS**

- 7.1 As part of the implementation of the revised policy, costs will be accrued in changing relevant computer software and in providing staff training. Any costs incurred will be covered from existing budget allocations. Aside of this there are no other foreseen additional costs. Apart from internal training there are no direct implications on the Council's workforce.

## **8 LEGAL AND GOVERNANCE CONSIDERATIONS**

- 8.1 As part of the programme of consultation officers with the Council's Legal Service have been kept fully informed of the proposed changes and have confirmed that the revised policy is legally compliant with current legislation. In terms of governance, it is proposed to introduce delegated powers for the Director and Cabinet Member to make minor policy alterations. This will enable the policy to be more responsive to both minor legal amendments and to emerging housing market issues as they arise.

## **9 EQUALITY IMPACT ASSESSMENT**

- 9.1 As set out in Section 5, partner and stakeholder consultation has been at the heart of the policy review. An Equality Impact Assessment has been completed. It was concluded that the revised policy would promote equality within at least four of the equality strands and would not adversely affect the others. Any unforeseen adverse impacts will be identified through monitoring processes and statistical/other data analyses.

## **10 DATA PROTECTION IMPACT ASSESSMENT**

- 10.1 None required. Governance already in place to which both the existing and revised policy adheres to.

## **11 CRIME AND DISORDER AND RISK ASSESSMENT**

- 11.1 The review has benefitted from an Internal Audit Report that has formed part of the review.
- 11.2 The policy is required to adhere to a set of legislative requirements and as such no specific risks have been identified as part of this policy review. In addition, no risks have been identified from the consultation programme.

## **12 SUSTAINABILITY OF PROPOSALS**

12.1 The revised policy is fully compliant with legislation, most notably the Housing Act 1996, the Localism Act 2011, the Homelessness Reduction Act 2017 and the related Statutory Codes of Guidance. To that extent it has been 'future proofed' and going forward its outcomes will be monitored, most notably by the annual Lettings Report.

## **13 HEALTH AND WELLBEING IMPLICATIONS (INCLUDING SOCIAL VALUE)**

13.1 A decent affordable home is a central component from which to build a stable life and to participate more readily in all forms of daily life. The health benefits of living in a decent sustainable home are well documented in improving a wide range of both physical and mental health determinants that will have a direct and positive impact on Sandwell's Vision. Many of the housing need factors that give households priority within the policy have both health and wellbeing implications as part of their determinant.

## **14 IMPACT ON ANY COUNCIL MANAGED PROPERTY OR LAND**

14.1 The revised policy will not impact or affect the status of any Council owned property or land.

## **15 CONCLUSIONS AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS**

15.1 The current Housing Allocations Policy came into force in April 2013. Broadly speaking the policy has consistently met its objectives, but since its introduction Sandwell's housing market has evolved leading to increased affordability pressures for those restricted to accessing accommodation in the private rented sector. This, combined with the introduction of the Homelessness Reduction Act 2017, have triggered the need for a review.

15.2 The review has been guided by the principal drivers centred on:

- Enhancing the Council's ability to prevent homelessness
- Aligning policy with current legislation
- Enhancing the Council's ability to support vulnerable persons
- Making the policy more efficient and fit for purpose
- Continuing to make the best use of existing stock

- 15.3 It is also apparent that some processes that form part of the current policy are very time consuming for staff to process and gatekeep and this in turn is diverting resources that could be used more purposefully on providing advice and assistance on housing solutions to customers.
- 15.4 Consultation has been an integral component of the review and the findings from the successful web-based consultation has been able to robustly demonstrate that there is broad support for the proposals from the Council's current customer base - with 524 of the 637 responses originating from either housing register applicants (276) or tenants (248). The proposed amendments are set out in Section 4 of this report.

## 16 **BACKGROUND PAPERS**

16.1 None

## 17 **APPENDICES**

17.1 None

**Alan Caddick**  
**Director of Housing and Communities**