

Meeting date: 17th January 2023

Report to: Economic Development and Managed Growth Scrutiny Board

Report title: Housing Allocations Scheme

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Wards affected:

- All Wards | Bickenhill | Blythe | Castle Bromwich | Chelmsley Wood | Dorridge/Hockley Heath | Elmdon | Kingshurst/Fordbridge | Knowle | Lyndon | Meriden | Olton | Shirley East | Shirley South | Shirley West | Silhill | Smith's Wood | St Alphege
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Public/private report: Public

1. Executive Summary

- 1.1 To present proposed changes to the Housing Allocation Scheme for consideration which include:
- 1.1.1 Changes to banding and preference which affect the priority order in which housing is allocated based on need.
- 1.1.2 Adjusting qualification criteria which outlines who qualifies for the allocation of social housing.
- 1.1.3 Updates to ensure compliance with legislation.
- 1.1.4 Extending the Annual Lettings Plan (a local plan adjusting allocations criteria, developed each year in line with the Homelessness Code of Guidance) to enable local priorities and demands to be better reflected in the allocation of social housing.

2. Decision(s) Recommended

- 2.1 The Economic Development and Managed Growth Scrutiny Board is asked:
- 2.2 To make recommendations on the draft proposals before they are presented to the Cabinet Member for Partnerships and Wellbeing decision session for approval to

undertake statutory consultation.

Report Title: Housing Allocations Scheme

3. Matters for Consideration

- 3.1 The allocation of social housing by Councils is covered in Part 6 of the Housing Act 1996. Every Council must have a housing allocation scheme and the policy making principles in drawing up or modifying a scheme are:
- A scheme must (i) determine priorities between applicants for housing and (ii) set out the operational procedures for letting property.
 - It needs to have regard to homelessness strategies and tenancy strategies.
 - Councils should consult with housing associations with whom they have nomination agreements over new schemes or major changes in policy.
 - A summary of the allocation scheme must be published.
- 3.2 The housing allocation scheme is a Council policy with operational management and delivery delegated to SCH.
- 3.3 The current scheme was implemented in September 2014, when flexibilities introduced by the Localism Act 2011 were considered and incorporated. The most significant change was the introduction of qualifying criteria. This restricted access on the basis of housing need, residence and other local connection conditions.

4. What options have been considered and what is the evidence telling us about them?

- 4.1 The Allocations Policy is a Council policy reflecting its role as the landlord with the legal responsibilities for allocation of its housing stock. SCH manages the stock on behalf of the council and administers the day to day implementation of the allocations policy and the alignment of this function, with the discharge of the homeless function. Given the insight and intelligence of SCH with regard to the implementation of the current policy and the need for changes to be proposed, SCH have drafted the proposed revisions to the policy although this has been done in close discussion with relevant council officers. The lead officer with oversight of this at SCH is the Head of Housing.
- 4.2 The statutory framework gives Council's discretion to formulate housing allocation schemes that best meet local needs. Factors which prompted a review of the current scheme include:
- To ensure that the scheme adequately supports the prevention of homelessness and the need to provide settled housing.
 - To achieve a reasonable balance between housing applicants with different types of housing need.
 - New legislation and updated guidance relating to homelessness and domestic abuse.
 - Statutory guidance on access to social housing for Armed Forces personnel and their

families, alongside the Council's commitment to the Armed Forces Covenant.

- That the scheme is aligned with Solihull's key priorities.
- Legal decisions of the courts in relation to the allocation of social housing.

4.3 A fundamental feature of the scheme is a 'choice-based' letting system. Available properties are advertised to registered housing applicants via the housing options website. Applicants can express their interest in specific properties, and, at the end of each weekly advertising cycle, candidates are shortlisted by priority and waiting time. In some circumstances it is necessary to make 'direct offers' (outside of the advertising process). For example, to best match the particular attributes of a property (such as major adaptations) to those applicants in need of them or for some applicants with very urgent housing needs, such as homelessness, the time period for exercising choice is more limited.

4.4 A major challenge is that demand for social housing in Solihull far exceeds supply. This necessitates difficult decisions at policy and operational levels. Many people seeking social housing in Solihull have no realistic prospect of success.

4.5 Against this background, the Housing Options Delivery Group (HODG), consisting of officers from the Council and SCH, carried out a review of the current scheme.

4.6 A targeted stakeholder engagement survey, involving partner agencies and operational staff, was carried out seeking views on key elements of the scheme:

- Access to the scheme (qualification)
- Prioritisation of applicants
- The matching, selection and offer processes

4.7 Initial proposals set out in the survey were generally supported. These are:

- That all households with a 'reasonable preference' (statutory housing need groups) can apply to join the scheme. Where those households do not qualify due to local connection criteria, those who have exceptional needs will be considered on a case by case basis.
- That the scheme incorporates the power to adjust the priority of households according to local connection, behaviour and / or financial circumstances.
- Introduction of an income and assets threshold (set at an appropriate level).
- That additional priority is given to homeless applicants owed prevention and relief duties.
- Consider an extension of the current, limited, annual lettings plan.

4.8 However, important issues were raised which required further consideration:

- The assessment, prioritisation and relocation of households experiencing domestic

abuse.

- The priority awarded to applicants owed duties under homelessness legislation, particularly those requiring larger accommodation (more than two bedrooms).
- The way in which the choice-based lettings system and related processes operate in relation to homeless and other high priority cases, often with specific and complex housing needs.
- Further clarification on the criteria for the highest (Band A) priority, particularly in relation to domestic abuse and Armed Forces applicants.

4.9 These issues were considered in detail by officers, reaching a consensus that the suggestions relating to providing increased clarity and the exercise of flexibility in the bidding processes for households facing complex issues should be accommodated. However, while the representations for increased priority for households affected by domestic abuse and a general uplift for those owed homelessness duties were merited, the mismatch between demand and the supply of suitable properties would inevitably mean that other households, with compelling but different housing needs, would be adversely impacted. It was felt that an adjustment in banding priority alone would not sufficiently address the complexities involved in making the best use of the limited supply of homes to meet competing demands.

4.10 The initial proposals have also been supplemented by an additional proposal to produce a more comprehensive annual lettings plan than originally envisaged. The plan would:

- be informed by data on lettings outcomes and the supply and demand of SCH managed properties
- allow for local priorities to be reflected, for example creating more flexibility around qualifications for care experienced young people.
- enable additional flexibility to allow for agreed (target) quotas to achieve a balance between different types of housing applicant.
- align with the government's Homelessness Code of Guidance.

4.11 The annual lettings plan would be developed by officers through consultation with key stakeholders and subject to Cabinet approval.

5. Reasons for recommending preferred option

5.1 The benefits of this approach include:

- A clear policy position which meets the Council's statutory duties and local priorities.
- Provision to amend the scheme (other than for major changes) on an annual basis, ensuring the scheme is robust, but dynamic to meet local needs.
- Creates a responsive, data informed approach to allocations, ensuring the scheme

remains appropriate for current and emerging need.

- Open and transparent, with allocation outcomes, projections and quota arrangements reported and made available to customers.
- Provides for the scheme to be adjusted to ensure it remains inclusive should any unintended consequences be identified.
- Allows for set parameters to be applied for a defined period to address the specific needs of households which may not be met by normal operation of the scheme e.g. enhanced priority for transferring households seeking a large family home.

5.2 As a further enhancement, it is proposed that the priority banding descriptors are amended to align more closely with the statutory 'reasonable preference groups' by making clear which applicants fall within the following categories:

- Band A - Additional preference (very urgent housing need)
- Band B - Reasonable preference (urgent housing need)
- Band C – Reasonable Preference (housing need)
- Band D - Reduced Preference

5.3 There is a statutory requirement to consult with housing associations with which the Council has nomination agreements, but good practice suggests that this should be extended. It is proposed that the consultation will embrace a wide range of agencies, forums and interested parties. This will include Council directorates, partnership boards, the SCH Board and staff. Residents will be consulted through the SCH engagement framework. Government guidance states that normally a 12-week period should be adopted and a range of consultation methods will be employed.

6. Implications and Considerations

6.1 State how the proposals in this report contribute to the priorities in the [Council Plan](#):

Priority:	Contribution:
<p>People and Communities:</p> <ol style="list-style-type: none"> 1. Improving outcomes for children and young people in Solihull. 2. Good quality, responsive, and dignified care and support for Adults in Solihull when they need it. 3. Take action to improve life chances and health outcomes in our most disadvantaged communities. 4. Enable communities to thrive. 	<p>The scheme is framed to meet identified housing need. The provision of good quality social housing contributes to improving life chances and positive health outcomes</p> <p>There is a duty to have regard to safeguarding and promoting the welfare of children and young people when performing functions. The scheme provides for the assessment and appropriate prioritisation of adults with complex needs.</p>

Priority:	Contribution:
<p>Economy:</p> <p>5. Develop and promote the borough's economy, with a focus on revitalising our town and local centres.</p> <p>6. Maximising the opportunities of UK Central and HS2.</p> <p>7. Increase the supply of affordable and social housing that is environmentally sustainable.</p>	<p>An effective housing allocation scheme promotes best use of the social housing resource in Solihull, including new build energy efficient homes</p>
<p>Environment:</p> <p>8. Enhance our natural environment, improve air quality and reduce net carbon emissions.</p>	<p>Enter text.</p>
<p>9. Promote employee wellbeing</p>	<p>Enter text.</p>

6.2 Consultation and Scrutiny:

- 6.2.1 A targeted stakeholder engagement process in 2021 informed the proposals for changes to the scheme. This included detailed feedback from Council and Solihull Community Housing officers, supported housing providers, domestic abuse support agencies and the probation service.
- 6.2.2 The views and recommendations of the Scrutiny Board will inform the final draft of a revised housing allocation scheme which will be submitted for approval to consult.
- 6.2.3 Following scrutiny and CPH approval, there will be a consultation exercise in line with the statutory requirement outlined at 5.3 above. This will commence in May 2022 for a period of 12 weeks and will include:
- Publishing the Draft Allocations Policy and Fair Treatment Assessment on a consultation webpage alongside an online response form. There will be an option to submit responses by e-mail or post.
 - Contacting a wide range of organisations directly to make them aware of the

consultation and invite their responses. This will include:

- Solihull Council Members
 - Parish and Town Councils
 - Solihull MPs
 - Housing Associations operating in Solihull
 - West Midlands Combined Authority
 - Department for Levelling Up, Housing and Communities
 - Regulator of Social Housing
 - Housing and advice organisations operating in Solihull
- Notifying members of multi agency boards including the Multi Agency Homelessness Forum, Solihull Health and Wellbeing Board, SCH Board, Safer Solihull, Domestic Abuse Partnership Board and the Voluntary and Community Sector Engagement group.
 - Raising awareness of the consultation through the Council's communication channels including 'Stay Connected', 'Local News' and social media platforms.

6.3 Financial implications:

- 6.3.1 There will be a requirement for system updates to align with the new policy. These costs will be budgeted for within Solihull Community Housing's budget for 2023/24.

6.4 Legal implications:

- 6.4.1 The proposed changes are in line with legal developments and seek to ensure that the policy is compliant with legislative and regulatory requirements.
- 6.4.2 Legal Services will review the draft scheme prior to seeking approval for consultation.

6.5 Risk implications, including Risk Appetite:

- 6.5.1 Allocations Schemes are subject to legal challenge, including judicial review. The work done through seeking legal advice, consultation with key stakeholders and completion of the Fair Treatment Assessment all seek to review any potential areas for challenge and minimise risk.

6.6 Equality implications:

- 6.6.1 The implications of these changes have been considered through the development of the proposed changes with inclusion sitting at the heart of this work.
- 6.6.2 These considerations will be formalised through the completion of a Fair Treatment

Assessment and will be included in the consultation material.

- 6.7 Linkages to our work with the West Midlands Combined Authority (WMCA), Local Enterprise Partnership or the Birmingham & Solihull Integrated Care System (ICS):
 - 6.7.1 SCH and the Council engage with WMCA as members of the Homelessness Taskforce as part of our joined-up approach to tackling and preventing homelessness.
 - 6.7.2 The proposed changes around Armed Forces align with the Veteran Pledges as part of the WMCA Commitment to Collaborate.

7. List of appendices referred to

- 7.1 Appendix 1: Summary of proposed changes to the scheme
- 7.2 Appendix 2: Priority Banding Summary

8. Background papers used to compile this report

- 8.1 Enter text.

9. List of Other Relevant Documents

- 9.1 Enter text.