

**Manchester City Council  
Report for Information**

**Report to:** Economy Scrutiny Committee - 10 March 2022

**Subject:** Housing Allocations Policy Review

**Report of:** Strategic Director, Growth & Development

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**Summary**

Following an extensive period of review and agreement by social landlords and by the Council's Executive Committee, Manchester's current statutory social housing allocations scheme was implemented in November 2020. In addition to the planned full evaluation after 24 months, it was agreed that an interim evaluation should be undertaken after 12 months. The pandemic resulted in significant emergency actions that have reduced the amount of useable data. Nevertheless, the evidence to date is that the scheme is working as intended with no unexpected outcomes.

**Recommendations**

1. The Committee is recommended to note that implementation of the new scheme has been significantly affected by the pandemic and the special measures put in place for the most vulnerable.
  2. The Committee is recommended to note that evidence shows that the scheme is working as intended.
  3. The Committee is recommended to note that the effectiveness of the new scheme will best be evaluated by the planned evaluation after 24 months, at the start of 2023.
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**Wards Affected:** All

<b>Environmental Impact Assessment</b> - the impact of the issues addressed in this report on achieving the zero-carbon target for the city
n/a

<b>Manchester Strategy outcomes</b>	<b>Summary of how this report aligns to the OMS</b>
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	Provide advice and information around other housing options where this may be appropriate - this includes affordable home ownership and the private rented sector.

A highly skilled city: world class and home-grown talent sustaining the city's economic success	n/a
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	Ensuring the Policy assists with balancing communities and encouraging potential in partnership with RP partners, using Local Letting Policy where necessary.
A liveable and low carbon city: a destination of choice to live, visit, work	Encouraging RP partners to reduce CO2 emissions and reduce their use of plastics will contribute to a low carbon city as well as zero carbon social homes built. Discussing climate change conversations with tenants of social housing supporting them in adopting a low carbon lifestyle.
A connected city: world class infrastructure and connectivity to drive growth	Ensuring people have a settled home that's right for them this will enable them to flourish and contribute within the city.

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### Background documents (available for public inspection):

The following documents disclose key facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy, please contact one of the contact officers above.

- Manchester City Council Part VI Allocations Scheme 2011
- Manchester City Council Part VI Scheme for the Allocation of Social Housing 2020
- Housing Act 1996

- Homelessness Code of Guidance  
<https://www.gov.uk/guidance/homelessnesscode-of-guidance-for-local-authorities>
- Allocations Code of Guidance  
<https://www.gov.uk/government/publications/allocation-of-accommodationguidance-for-local-housing-authorities-in-england>
- Update on Homelessness and Housing, Neighbourhoods and the Environment Scrutiny Committee Report – Wednesday 17th July 2019
- Report on Housing Allocations Policy Review (Update), Neighbourhoods & Environment Scrutiny Committee – March 2021
- Report on Housing Allocations Policy Review, Neighbourhoods and Environment Scrutiny Committee – 6th November 2019, Executive – 13th November 2019
- Report to Neighbourhoods and Environment Scrutiny Committee, 10<sup>th</sup> March 2021

## **1.0 Background**

- 1.1 The report to Neighbourhood and Environment Scrutiny Committee November 2019 and to the Executive Committee in November 2019 described how Manchester's current Housing Allocations Scheme had remained fundamentally the same since 2011 and provided the context and evidence as to why the Allocations Scheme needed to be reviewed.
- 1.2 It described how the supply of homes had become constrained - particularly to applicants in band 3 - due to a combination of falling supply, increasing demand and the effect of awarding additional priority (band 2) to households working or volunteering. While recognising that total demand cannot be met, even for those in high priority, it was the case that significant numbers of homeless and other households in crisis and in band 3 were increasingly unlikely to make a successful bid for a home.
- 1.3 The report described comprehensive engagement with stakeholders to develop proposals for a revised scheme while ensuring that proposals would accord with the council's Public Sector Equality Duty.
- 1.4 The objective was for the new scheme to give a greater chance of getting a social home to the large numbers of applicants in the priority categories.
- 1.5 Consequently, the allocations scheme implemented November 2020 has three priority bands: band 1, largely unchanged from the previous scheme, band 2 now comprising most applicants with urgent housing need, and band 3 comprised of fewer categories of applicants with less urgent housing need. This means that there are many more applicants in band 2 who therefore have a chance of making a successful bid for a new home even though the average waiting time may be lengthy.
- 1.6 The report described how the operational transition from the old to the new scheme had been relatively smooth, despite the effects of the pandemic. It noted that a detailed evaluation of the scheme to review its effectiveness will be undertaken following 24 months of operation but that a lighter-touch interim evaluation would be made after the scheme had been in operation for 12 months.
- 1.7 This report provides the interim evaluation. It looks at how allocations made to the new scheme have been distributed across the priority categories of need, to consider the overall efficacy of the scheme in practice, including some examples of specific outcomes.

## **2.0 Evaluation context: pandemic effects and data comparison**

- 2.1 The pandemic necessitated emergency housing responses that were outside the normal operation of the allocations scheme. This means that strictly accurate classification data is not available and therefore some degree of well-informed professional judgement has been necessary to produce this interim evaluation.

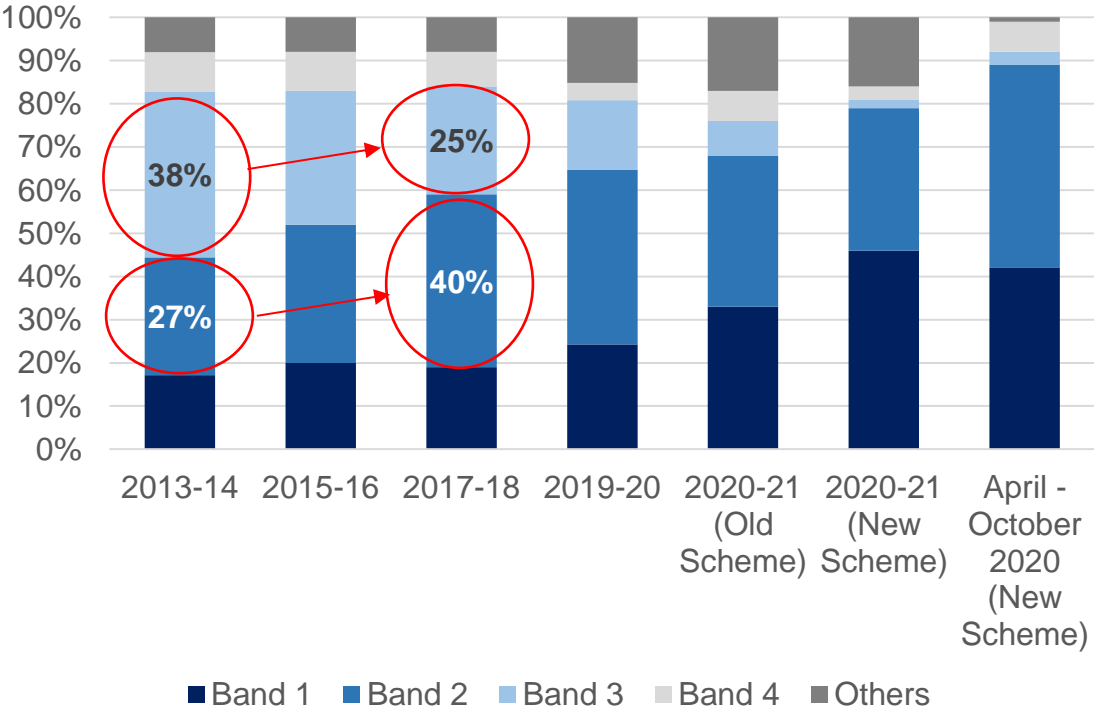
2.2 All data used in the evaluation are from the Manchester Housing Register (Manchester Move).

**3.0 Scheme evaluation**

**New scheme objective - Provide a greater chance of obtaining a home for those in most need**

3.1 The objective was for the new scheme to give a greater chance of getting a social home to the large numbers of applicants in the priority categories. It was agreed that the scheme should give equal banding priority to most categories of rehousing applicants, based on need alone. Priority within bands would continue to be given by date order (length of time in the band).

**Figure 1: Lets by Band**



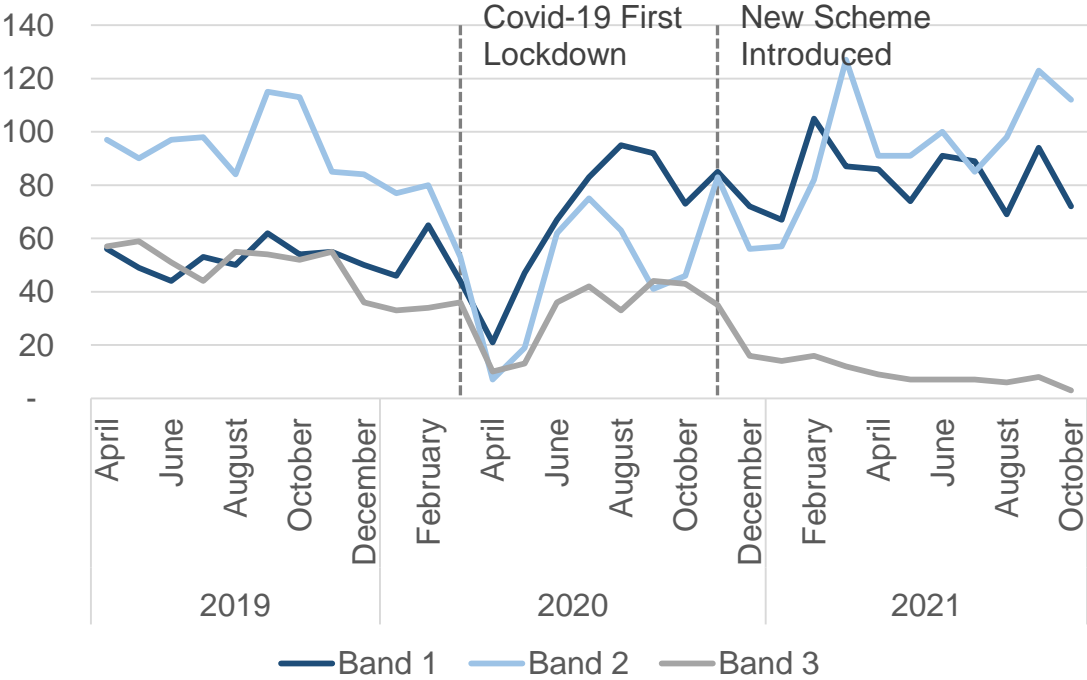
3.2 Figure 1 shows the history of the allocations scheme and how much of a barrier additional priority for working or volunteering had become. It is clear to see how lets to applicants in band 3 had become significantly less likely year by year as demand increased and turnover (supply) reduced. From 2013-14 to 2017-18, the relative positions of applicants in bands 2 and 3 had switched, with applicants in band 2 significantly more likely to make a successful bid while the impact on applicants in band 3 in crisis situations and unable to work was increasingly difficult to manage.

3.3 Lets during 2020-21 to the old scheme reflect arrangements for the pandemic. This period also shows how more band 1 applicants were making successful bids whereby previously this band had been relatively less active, lets to band 1 will reduce as the scheme progresses.

- 3.4 Lets during 2020-21 to the new scheme were relatively few, but the percentage distribution by band was showing the effectiveness of the new scheme, with a significant drop in lets to new band 3, this trend is expected to continue.
- 3.5 Lets during the April – October period, all to the new scheme, are noticeably different. There was a drop in lets to band 1 as the effects of the pandemic lessened. At the same time, there was an increase in lets to new band 2.
- 3.6 The lets to the lower bands showed a remarkable decrease, partly because Wythenshawe Community Housing Group and One Manchester both revised their own allocations schemes being mindful of the challenges shared by all social landlords and producing schemes that have more in common with the council scheme than before.
- 3.7 These data show the scheme starting to produce outcomes as expected.
- 3.8 The next part of this report looks at data in more detail.

**4.0 Analysis of lets made to the priority bands 1-3 over time**

**Figure 2 - Lets to Priority Bands 1-3 (April '19 – October '21)**



- 4.1 The data shown in Figure 2 are consistent with Figure 1. The effect of the initial period of the pandemic is obvious from February/March 2020 as lets plummeted. The anticipated reduction in lets to band 3 is also clear from November 2020 when the scheme changes took effect, with over 89% of lettings going to bands 1 and 2.
- 4.2 The increase in lets to band 1 is partly attributable to a backlog following the drop at the start of the pandemic and partly attributable to general supply and demand situation (20% drop in vacant properties).

4.3 It is anticipated that lettings to band 1 will reduce as we progress with lettings. Band 1 applications are regularly reviewed to ensure they remain in urgent need, but the supply and demand situation makes it increasingly difficult for some band 1 applicants to be rehoused in shorter timescales.

#### 4.4 Analysis of lets by need category and band

4.5 Figure 3 shows how many lets have been made by need categories and band to new scheme, the table also compares this data to those lets that occurred in 2019/20 to the comparable need groups.

**Figure 3 - Lettings to new scheme, April 2021 – end Oct 2021, by need category & band**

	b1	b2	b3	b4	other	2021	2019/20
All forms of homelessness						%	
Homelessness		244	12			20.2	10.4
Domestic Abuse	88	2				7.1	4.1
Serious violence or harassment	55	3				4.6	1.9
Move on from supported accommodation		70				5.5	2.8
Lack of facilities		2				0.2	0.0
Other priority							
Armed Forces with housing needs	5					0.4	0.2
Young Person Leaving Care	70					5.5	0.4
Demolition	11					0.9	0.1
Fosterer/Adopter	4					0.3	0.0
Leaving Hospital	37					2.9	2.1
Medical reasons	87	99				14.7	8.2
Downsizing	59	4				5.0	1.1
Move out of adapted home	3					0.2	0.2
Risk to a child	4					0.3	0.4
Other needs							
Manager's Discretion	86	6	1			7.3	9.2
Overcrowding	28	142	24			15.3	13.0
Child Living in an unsuitable flat		26				2.1	0.0
Other categories							
No housing need				86		6.8	4.8
Non-Qualifying					9	0.7	0.1
<b>2019/20 old scheme categories</b>							
Working Household						0	23.5
Community Contribution						0	10.0
Young Person Tenancy Qualification						0	5.5
Total						100%	100%

4.6 The data show that all need groups have benefited from the implementation of the new scheme, especially those in some form of homelessness including

domestic abuse. Despite the environmental challenges that occurred during the first 12 months of the scheme it's clear that the scheme is working as intended and that it's providing more opportunity to rehouse those in most need. It's also a fair assumption to say that this trajectory is likely to continue, as we see a backlog of repairs addressed and more homes come available.

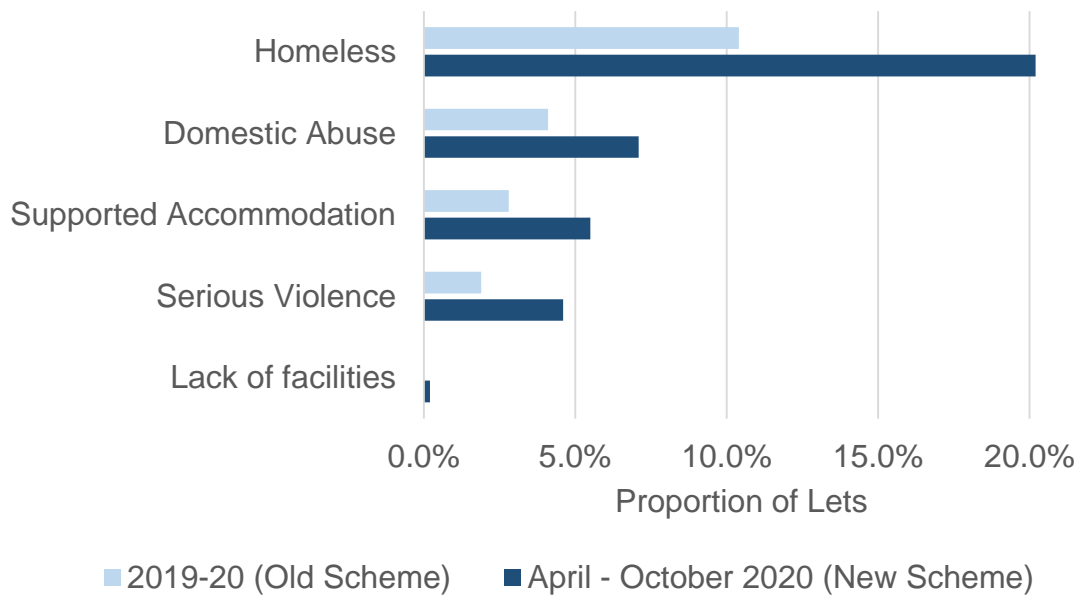
- 4.7 Note that Band 4 "no housing need" were largely lets to Wythenshawe Community Housing Group and One Manchester's own allocations schemes, along with some lets to lower demand properties, mostly of sheltered accommodation.

## **5.0 Homelessness Lettings (from Figure 3, in more detail)**

- 5.1 Homelessness is not only experienced by people in temporary accommodation. Other categories of rehousing applicant are homeless, for example while living in supported accommodation, or in a refuge. Applicants on the housing register due to being in some form of homeless accounted for 37.6% of all lettings from April to October 2021. This compares to 19.2% in 2019/20 (note, though, that this is subject to some degree of error due to how the old scheme categorised working households and community contribution lettings, making comparison difficult).
- 5.2 Figure 4 shows how the scheme is working as intended. It is enabling more successful bids from people in priority need due to different forms of homelessness.
- 5.3 It is worth noting that more people needing to be rehoused because of domestic abuse are now in band 1, where previously some would have been in lower bands. The priority given to people suffering domestic abuse was a particular concern of Members during the review discussions. It is worth noting that anyone needing to be rehoused because of domestic abuse is officially homeless, even if they have not presented for homelessness assistance.



**Figure 4 – Lets to All Forms of Homelessness (%)**

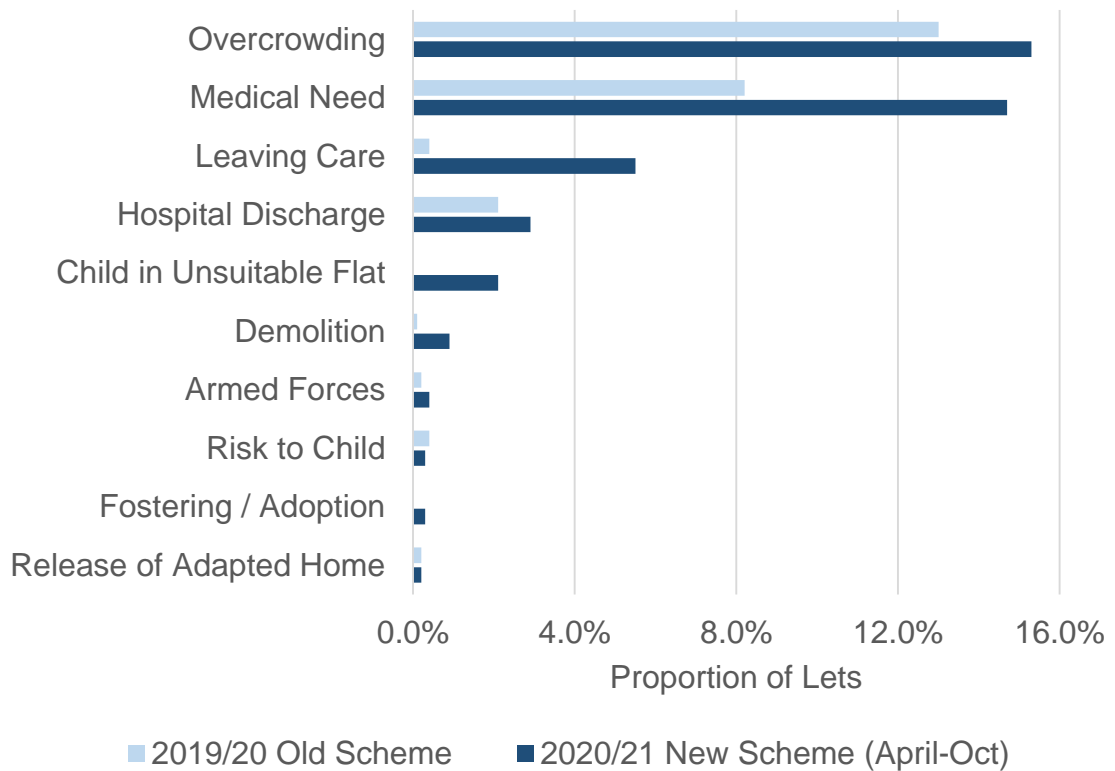


## **6.0 Other Priority Need Groups**

6.1 It is important to remember that Members and Manchester Move partners were strongly of the view that there are several high priority categories of rehousing applicants. Along with homelessness the new scheme was developed to prioritise other need groups. Figure 5 shows lettings to these other need groups.

6.2 These data clearly show that applicants with the priority housing needs agreed by social landlords and Members have been properly prioritised by the scheme, as intended.

**Figure 5 – Lets to Other Priority Applicants**



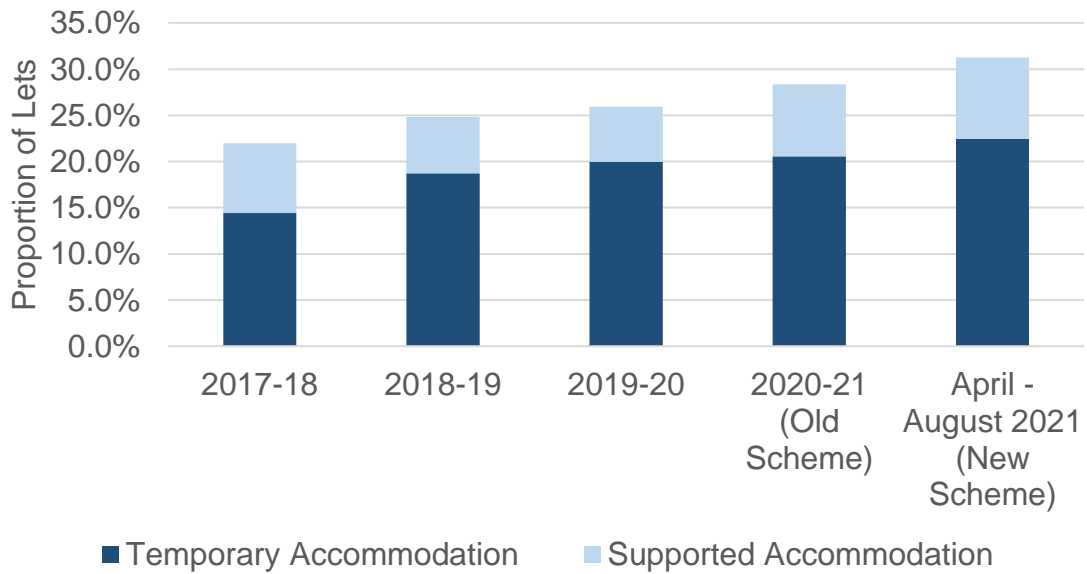
6.3 One of the major successes of how the scheme is progressing is the number of young people being rehoused that are ready to move on from leaving care, this is a managed process through a leaving care panel which has seen good success rates of not only young people being rehoused but in terms of tenancy sustainability.

## 7.0 Homelessness and pressures on Temporary Accommodation and Supported Accommodation (TA/SA)

7.1 Homelessness colleagues are currently working on an action plan to reduce the use of TA and end placements into Bed & Breakfast accommodation following a review by the DHULC.

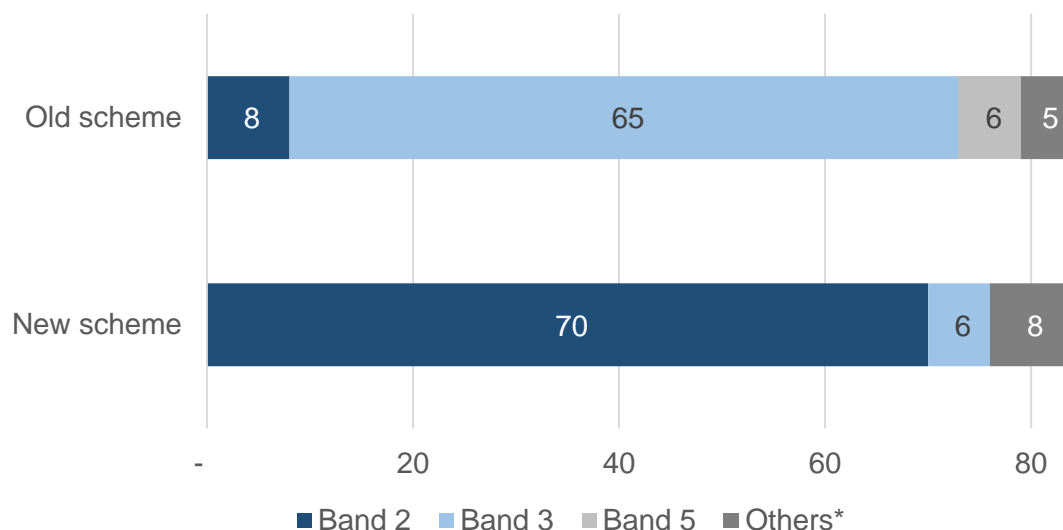
7.2 Lettings from temporary and supported accommodation have increased over time from 22% (17/18 old scheme) to 33.2% (21/22) new scheme and this is anticipated to continue to rise as the scheme settles and the backlog of band 1 applicants continues to reduce.

**Figure 8 – Lets to Temporary & Supported Accommodation**



- 7.3 The new scheme is operating as intended. People are now more likely to be rehoused from TA/SA.
- 7.4 There are some data available that allow us to make a quite detailed comparison of 84 of the 256 lets to homeless applicants under the new scheme (refer to Figure 3), looking at what band they would have been in under the old scheme.
- 7.5 The data (Figure 9) are clear that most homeless applicants rehoused from band 2 under the new scheme would have been in band 3 under the old scheme. The numbers in bands 2 and 3 are practically reversed. While it is not possible to make a definitive statement about each individual applicant, we know that in general, applicants in band 3 under the old scheme were unlikely to be offered a new home.
- 7.6 This is clear evidence of the new scheme working as intended, opening up the opportunity for many more homeless households to be rehoused from band 2.

**Figure 9 – Homeless Lets by Band Compared to Bands Under Old Scheme (2020-21)**



\* Mainly W2 (WCHG own scheme, and some uncategorised).

## 8.0 Feedback from Manchester Move Partners

8.1 The Manchester Move partners were asked for feedback on the scheme, focusing on any unintended consequences. All the feedback received stated that the scheme is working as intended and without issues.

8.2 Additional comments were made about the supply and demand situation, repeating the challenge discussed by partners and by Members throughout the scheme review period. For example, one of the Manchester Move partners stated *“we participated in all the workshops and fundamentally not about Covid but supply and demand. We are trying to chop up the same size cake for different groups in need, however you do it someone won’t get a piece.”*

## 9.0 Equalities Impact Assessment

9.1 The appendix to this report shows the distribution of lets made to the new allocations scheme compared to the composition of the Manchester Housing Register (Manchester Move applications) by applicants’ protected characteristics.

9.2 The expectation is that the distribution of lets matches the distribution of the housing register. It will not be an exact match. Given the number of variables involved – people bidding for homes only in certain areas, people needing homes of varied sizes, people needing adapted homes, etc – it is reasonable to see some variation between lets and the housing register.

9.3 In general, something more than a 10+% variation could be potentially significant and merit investigation, especially a 10%+ negative variation (where the percentage of lets to a protected characteristic group is 10% or more lower than the housing register percentage).

9.4 The table shows that there are no apparent unintended consequences of the allocations scheme. The distribution of protected characteristics across the housing register and across lets made to the new scheme are similar. Small percentage differences arise from the fact of the small numbers involved. The full evaluation in twelve months' time will present more data.

## **10.0 Data and Information for the full evaluation**

10.1 Whilst undertaking the evaluation it has been clear that data and information provided has been difficult to interpret due to how historical data has been recorded. This has led to inconsistencies with data and gaps of information, making the evaluation challenging. With Northwards returning to the council's management this has also seen the Manchester Move service sitting within the council. Therefore, work will be undertaken to improve access to data, working with the Manchester Move service team as well as the council's PRI team to obtain a more consistent reporting regime moving forward which will assist the next evaluation of the scheme in December.

## **11.0 Conclusions**

11.1 The scheme very clearly appears to be working as intended. The vast majority of lets are to households in the priority need categories developed and agreed by the Manchester Move partners and elected Members.

11.2 A total of 92% of all lets are going to those most in need.

11.3 Around 38% of lets are directly to households experiencing some form of homelessness.

11.4 Notwithstanding the evident success of the scheme to deliver as intended, the supply and demand situation will continue to be an enormous challenge. An obvious consequence of supply and demand is that there are continuing pressures on the homelessness service and temporary accommodation. Work will be undertaken outside of this evaluation with homelessness colleagues and the Housing Access Board to determine any appropriate solutions, and without damaging the integrity of the allocations scheme that is operating as intended for those most in need.

11.5 In doing so, it is unavoidable that any subsequent actions to increase access for specific groups of applicants would have deleterious consequences for the other priority groups on the register and any such actions would have to be fully understood and agreed by the Manchester Move partners and by Members before being implemented.

11.6 The full evaluation scheduled for end 2022/early 2023 will provide more evidence and will be better informed by a longer period of lets to the scheme rules. This will allow us to include additional analysis around the housing register, need groups and demographics, bed need, and geographical information with regards to lettings by Registered Providers.