

**Manchester City Council  
Report for Information**

**Report to:** Economy Scrutiny Committee - 9 February 2023

**Subject:** Housing Allocations Policy Evaluation

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

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### Summary

Changes to Manchester's current statutory social housing allocations scheme were implemented in November 2020. It was agreed that an evaluation of the scheme would be undertaken following 24 months of operation to analyse its effectiveness.

### Recommendations

The Committee is recommended to:

1. note the findings of the evaluation; and
  2. note the changes to process and the proposed minor amendment to the allocation scheme, to help reduce the numbers of households that require temporary accommodation.
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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 (Registered Provider) 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.

- Homelessness Directorate 2023/24 Budget, Economy Scrutiny (Nov 2022)
- Homelessness Update, Communities and Equalities Scrutiny (June 2022)
- A short update report on the plans for winter for people who sleep rough and the new Commissioning Strategy for the Homelessness Service, Communities and Equalities Scrutiny (Oct 2022)
- Manchester Allocation Policy 12 Month Review (Mar 2022)
- 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 In November 2019, the Neighbourhood and Environment Scrutiny Committee and the Executive Committee were presented with a report on Manchester's Housing Allocations Scheme, which had not been revised since 2011. The report provided evidence and context for the need to review the scheme.
- 1.2 The report highlighted that the supply of homes, particularly for applicants in band 3, had become constrained due to a combination of decreasing supply, rising demand, and significantly due to the prioritisation of households working or volunteering (band 2). While it was acknowledged that demand cannot be fully met for those in high priority, the report noted that a considerable number of homeless and other households in crisis and in band 3 were increasingly unlikely to successfully bid for a social home due to the larger number of households in band 2.
- 1.3 The report outlined the extensive engagement with stakeholders to create proposals for a revised scheme, ensuring that the proposals aligned with the council's Public Sector Equality Duty.
- 1.4 The main goal of the new scheme was to increase the chances for households in the greatest need of a social home, particularly those that are homeless, to obtain one. This would also allow the city to address housing need more effectively in a context where there is reduced availability of housing for many applicants in priority categories.
- 1.5 While undertaking the review for the new scheme, the challenge was to differentiate between different high priority (reasonable preference) groups of applicants, giving some a higher priority in a new Allocations Policy.

The main changes fell into three categories:

- qualification rules,
- priority for those who qualify
- banding structure.

Appendix 1 shows a summary of the differences between the old policy and the new one that was introduced in November 2020.

- 1.6 The new allocation scheme kept the banding system, but the categories within bands 2 and 3 were changed. Band 1 remained largely the same as before. Band 2 now includes most applicants with urgent housing need, and band 3 has fewer categories of applicants with less urgent housing need. This means that there are more applicants in band 2, which increases their chances of successfully bidding for a new home, although they may have to wait a significant amount of time, especially for larger properties with 4 or more bedrooms.
- 1.7 An evaluation was carried out after 12 months of the new scheme being in operation. The report showed that the transition from the old scheme went

smoothly, despite the challenges of the pandemic during the scheme's first year. This report, which covers the first 24 months of the new scheme, assesses how allocations were distributed among the priority categories of need and evaluates the overall effectiveness of the scheme, including specific outcomes.

## 2.0 Scheme evaluation

### 2.1 Analysis of lets by all bands per financial year

2.2 The new scheme has been designed to provide priority to rehousing applicants based on housing need, with priority within bands determined by length of time in the band.

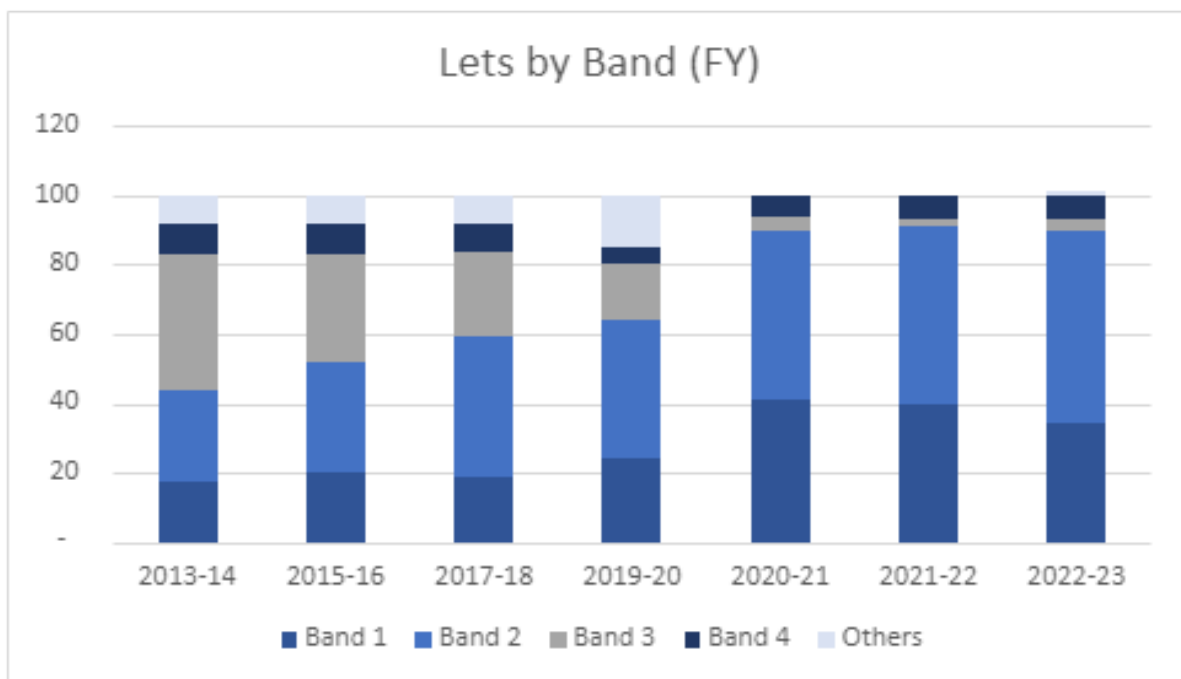


Figure 1

2.3 Figure 1 illustrates the history of the allocations scheme and the impact that prioritising households that were working, or volunteering had under the old scheme. Between 2013 – 2019 it is evident that the likelihood of granting social homes to applicants in band 3 (grey) decreased significantly over the years as demand rose and supply decreased. Many households who were homeless and living in temporary accommodation were placed in band 3. The relative chances of success for applicants in bands 2 and 3 reversed, with applicants in band 2 significantly more likely to succeed in their bid, while the impact on applicants in band 3, particularly those in crisis situations and unable to work, became increasingly difficult to address.

2.4 Data for 2021-2022 shows that the changes to the scheme have resulted in priority need applicants, including those who are homeless and in temporary accommodation, being placed in a band where they have equal priority for successful rehousing. Over the last two years since the inception of the new

scheme the percentage of lettings has been similar for these groups, therefore it is expected that this will continue, however this data will continually be monitored.

- 2.5 The number of properties that have been available for allocations has remained at similar levels over the last 3 years, at just over 2000 properties although this is a significant reduction from 3620 in 2013/14, when the number of vacant properties started to decrease.
- 2.6 Analysis of lets made to the priority bands 1-3
- 2.7 The data in Figure 2 is consistent with Figure 1. The impact of the pandemic is evident in the significant drop in allocations starting in February/March 2020. The expected decrease in allocations to band 3 is also clear from November 2020, when the new scheme took effect, with over 90% of allocations going to bands 1 and 2.
- 2.8 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).
- 2.9 The pandemic caused significant challenges with regards to undertaking repairs and refurbishing vacant properties. This created a backlog of voids in the Council's property portfolio but officers are working hard to make these properties available for letting and the numbers have significantly reduced in recent weeks.
- 2.10 The demand for social housing remains high with over 14,000 households on the register. Of those 14,000, 8,000 of these are in bands 1-3 and in some form of housing need. See Appendix 2, shows the current demand data and average waiting times.

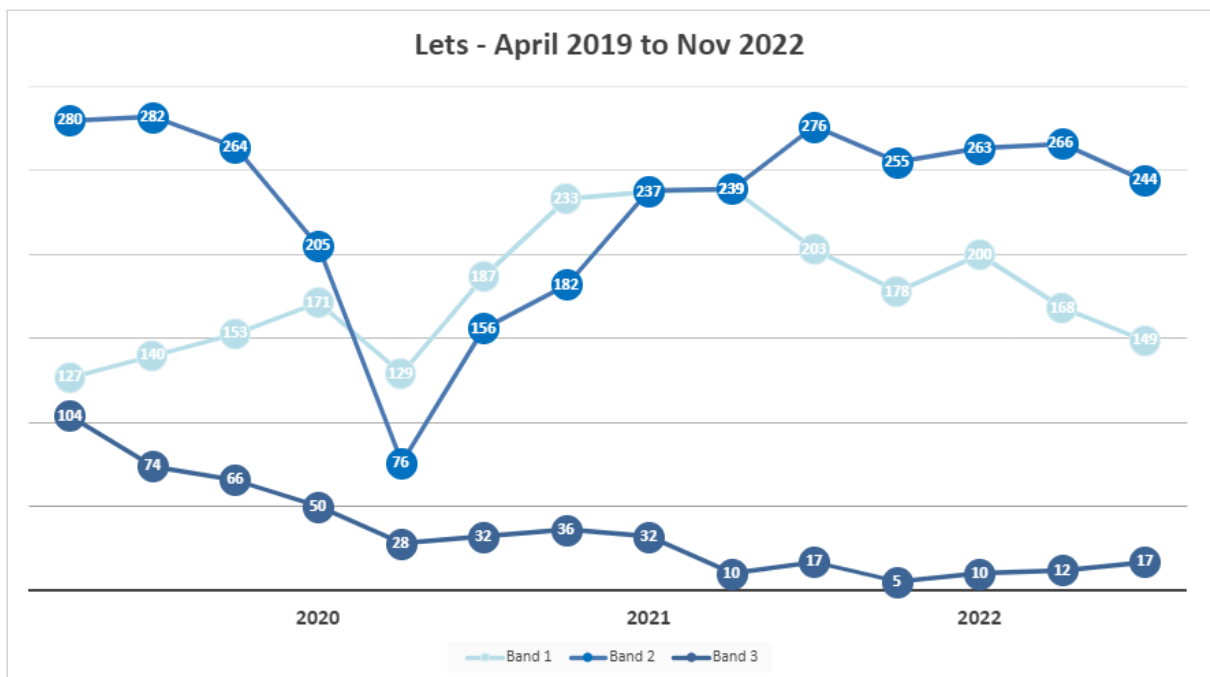


Figure 2

- 2.11 Figure 2 shows an increase in allocations to band 1, this can be attributed in part to a backlog of allocations following the decline at the start of the pandemic and in part to the overall supply and demand situation, which saw a decrease in vacant properties across the city.
- 2.12 As expected, due to the changes to the scheme, allocations to band 1 have started to decrease and allocations to band 2 have increased over the past two years. Without any additional changes to the scheme, it is expected that the numbers of lettings to bands 1, 2, and 3 will remain at similar levels in the future. Applications in band 1 are regularly reviewed to make sure that applicants still have urgent needs.
- 2.13 Analysis of allocations by need category by policy years
- 2.14 The data on allocations by need category over the past few years illustrates the impact of transitioning from a rewards-based scheme to a needs-based scheme has had.
- 2.15 Members and Manchester Move partners agreed that there were several high priority categories of rehousing applicant in addition to those who were homeless. The new scheme was designed to prioritise these other need groups, as shown in Figure 3.

<b>Housing Need</b>	<b>Policy -1 Year</b>	<b>Policy Year 1</b>	<b>Policy Year 2</b>	<b>Difference P-1/PY2</b>
Homelessness	10%	20%	21%	10.6%
Domestic Abuse	4%	7%	7%	2.7%
Serious violence, harassment	2%	5%	5%	3.1%
Move on from supported accommodation	3%	6%	6%	3.1%
Lack of facilities	0%	0%	0%	0.1%
Young Person Leaving Care	0%	6%	7%	6.7%
Medical reasons	8%	15%	13%	4.4%
Overcrowding	13%	15%	19%	5.9%
Downsizing	1%	5%	4%	3.1%
Armed Forces with housing needs	0%	0%	1%	0.4%
Child Living in an unsuitable flat	0%	2%	2%	2.4%
Risk to a child	0%	0%	1%	0.2%
Demolition	0%	1%	0%	0.2%
Fosterer/Adopter with unsuitable accommodation	0%	0%	0%	0.3%
Leaving Hospital	2%	3%	2%	0.1%
Manager's Discretion	9%	7%	5%	-4.3%
Other	5%	8%	7%	2.0%
Working household	24%	0%	0%	-23.5%
Community contribution	10%	0%	0%	-10.0%
Young person's pre tenancy qualification	6%	0%	0%	-5.5%
<b>Grand Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	

*Figure 3*

- 2.16 According to the analysis, the new allocation scheme with a few small exceptions appears to be meeting its objectives. Allocations to those in priority need accounts for 64.8% of all lettings, compared to 31.6% under the old scheme, this represents a total increase of 33%, with those who are homeless, living in supported housing, care leavers, and households that are overcrowded experiencing the largest increase. However, it should be noted that this comparison may not be entirely accurate due to differences in how the old scheme within the I.T system categorised working households and community contribution lettings. For example, some of the households within these groups may also have been categorised as homeless, therefore understating some of the previous data.
- 2.17 We can see the main reason for the increase in allocations to reasonable preference groups have been a direct result in the abolition of the working household and community contribution band reasons.
- 2.18 There are small decreases in allocations to people who require housing due to demolition (0.4%), poor property condition (0.1%) and leaving hospital.
- 2.19 One of the primary achievements of the scheme has been the successful rehousing of a considerable number of young people who are ready to



transition out of care. This process is managed through a leaving care panel, which has demonstrated a high rate of success in not only placing these individuals in suitable housing, but also in helping them to maintain their tenancies.

### 3.0 Homelessness focus

3.1 Homelessness is not limited to people in temporary accommodation. Other categories of rehousing applicants, such as those in supported accommodation or a refuge, and those who suffer from violence and harassment may also be considered homeless.

3.2 Analysis in figure 4 shows that during the first two years of the new scheme, 40% of all allocations went to applicants on the housing register due to being homeless within these categories, compared to 19% in 2019/20. (However, it should be noted that this comparison may not be entirely accurate due to differences in how the old scheme categorised working households and community contribution lettings, as a number of these may have been homeless)

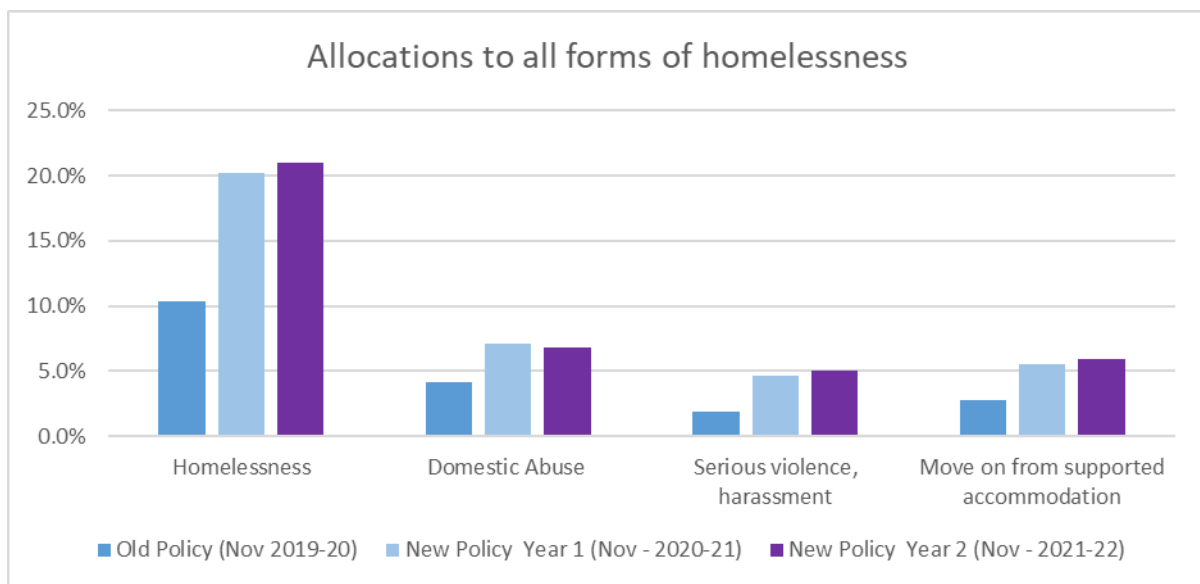
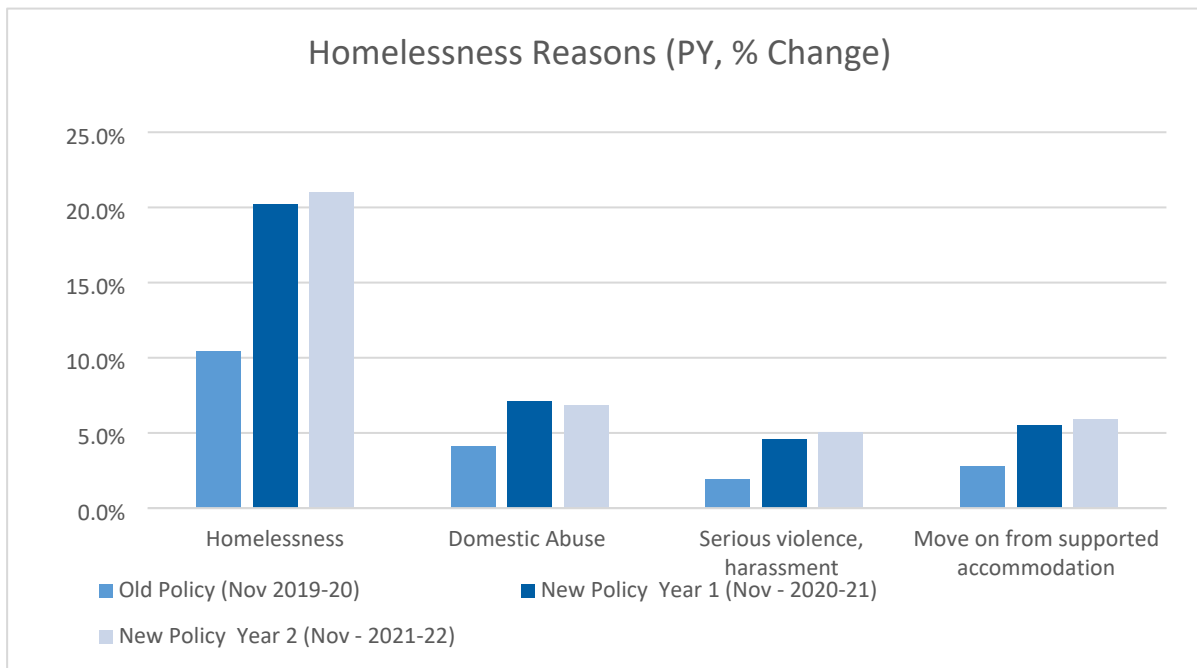


Figure 4

3.3 The analysis of the data in figure 4 reveals that the number of allocations for all forms of homelessness has increased since the implementation of the new scheme two years ago. This is due to an increase in allocations for those who are owed a homelessness duty. There has been a slight increase in allocations for supported accommodation, but there has been no significant change in the number of allocations for households affected by domestic abuse or serious violence, these applicants are now awarded band 1 and was the only change made to that band.

3.4 Figure 5 show shows the percentage difference in allocations to all forms of homelessness over the last 3 policy years. The analysis of the data shows, as

in figure 4 shows that the largest difference is represented within those need categories that are owed a homelessness duty.



**Figure 5**

3.5 It is worth noting that a greater number of people needing to be rehoused due to domestic abuse are now in band 1, whereas some may have previously been placed in lower bands. The priority given to individuals experiencing domestic abuse was a specific concern of Members during the review discussions.

3.6 Allocations from temporary accommodation

3.7 Figure 6 displays the allocations from Temporary Accommodation (TA) by financial year. The data reveals an 8% increase in allocations since the implementation of the new scheme, albeit the numbers are reduced due to the lower turnover of properties. Based on data over the last two years, it is anticipated that the percentage of allocations to households in TA will remain at this level if the current scheme remains unchanged.



*Figure 6*

#### **4.0 Temporary accommodation challenges**

- 4.1 A report by the homelessness service to the Communities and Equalities Scrutiny Board (dated November 22) showed that 2959 households currently live in temporary or emergency accommodation. A separate report on the homelessness budget revealed that these services cost the council £14.5m a year. The Homelessness Service is working hard to increase prevention and reduce the use of temporary accommodation. To do this, changes to the allocations policy need to be made to encourage people to present at an earlier stage, and to encourage changes in behaviour to access alternative accommodation rather than temporary accommodation.
- 4.2 The current policy awards Band 3 status to applicants who are owed the prevention duty (because they are at risk of homelessness) whereas applicants owed the relief and main duty, because they are homeless, are awarded Band 2 status. The effect of this position is to discourage people to present as early as possible in their homeless situation and the earlier a person approaches the more likely that a settled accommodation (availability of accommodation for a minimum of 6 months) can be secured. The intention is to award prevention duty applicants Band 2 status. This change should not result in a significant increase in Band 2 awards as the same number of people will be presenting for help; rather they will be presenting earlier and improving our prospects of helping to find a solution. Manchester currently has a low percentage of cases that achieve a settled accommodation outcome/duty discharge at the prevention duty stage and so these cases invariably progress to the relief and main duty stages.
- 4.3 It is also proposed to permit people who are owed the prevention or relief duty to accept a private rented tenancy offer, to discharge either homelessness duty (prevention or relief) and to retain a Band 2 award for rehousing. This award will be made under a wider welfare need reasonable preference banner

rather than homelessness. It is already permissible within the policy to preserve a Band 2 award for a main duty applicant who accepts a private rented sector (PRS) offer. The intention of this change on the prevention/relief duty is to make best use of housing in the city. People are more likely to accept a PRS tenancy if they retain reasonable prospects of securing social housing. This is better for the person and the Council than the person being in bed and breakfast or temporary accommodation. It is proposed that the Band 2 award could be removed if the person leaves the PRS tenancy secured to discharge the homelessness duty and does not re-present as homeless. For example, if they purchase a property. Each case will be assessed on its specific circumstances.

- 4.4 People who are assessed to be homeless and elect to stay temporarily with family or friends, as an alternative to taking up an offer of TA, are awarded Band 2 status as they are owed the relief duty. The option to enter temporary accommodation is always available in case their chosen short-term solution falls through. Allowing people to remain close to their support networks and retain some control of their situation has numerous benefits for their health and well-being, and can help maintain children's education, especially if the alternative, temporary accommodation would be located far from their school.

## **5.0 Equality of access**

- 5.1 The data charts for equality of lettings as *Appendix 3*, shows no adverse impact of the new scheme to the characteristics that are monitored by the scheme. Equality of access will continue to be monitored by the Housing Access Board (HAB).

## **6.0 Conclusion**

- 6.1 With a finite number of available properties each year, the scheme aims to allocate them in a transparent manner that provides more opportunities for households with the greatest needs, particularly those experiencing homelessness. 40% of all allocations were made to households with some form of homelessness need during the last year. The evaluation found that the overall objectives for the scheme are being met. However, due to the increasing challenges with regards to temporary and emergency accommodation, it has been necessary over the last few months to identify some minor changes to the process and the scheme to improve the situation. These changes will be monitored to understand their impact on other priority needs groups within the scheme.

## **7.0 Appendices**

Appendix 1 – Housing Allocation Policy Changes (Pre/Post New Policy)  
Appendix 2 – Demand and Prospects Information  
Appendix 3 – Analysis of allocations by protected characteristics