



REPORT TO: COMMUNITIES COMMITTEE ON 18 AUGUST 2015

**SUBJECT: ALLOCATIONS POLICY ANNUAL PERFORMANCE REPORT
2014/15**

**BY: CORPORATE DIRECTOR (ECOMONIC DEVELOPMENT,
PLANNING AND INFRASTRUCTURE)**

1. REASON FOR REPORT

- 1.1 This report presents the first annual performance review of the revised Allocations Policy for the period 2014/15 and provides Committee with an update on the impact which the policy changes have had since its implementation.
- 1.2 This report is submitted to Committee in terms of Section III G (4) of the Council's Scheme of Administration relating to allocation and letting of houses and homelessness.

2. RECOMMENDATION

2.1 It is recommended that the Communities Committee:-

- (i) **considers and notes this report;**
- (ii) **agrees that further investigation and analysis in relation to certain areas of the allocations policy, as set out in paragraphs 4.13 and 10.6 of the report, be completed during 2015/16; and**
- (iii) **agrees the allocations quotas for 2015/16 as set out in paragraph 10.12.**

3. BACKGROUND

- 3.1 Committee have been receiving performance monitoring information on the operation of the Council's Allocation Policy since 2005.
- 3.2 During 2013/14, the Council completed its review of the allocation policy. The review identified 10 key policy changes. Following a wider consultation with customers and key stakeholders, the Communities Committee agreed to implement a revised allocations policy on 17 December 2013 (paragraph 6 of the Minute refers).
- 3.3 The aims of the revised policy is to increase applicant choice, make best use of housing stock, improve accountability and transparency and generally

make the policy fairer for those applying for Council housing. The revised housing allocation policy went live on 7 April 2014.

- 3.4 The policy details the performance monitoring arrangements for both quarterly reports and an annual report in addition to the statutory performance indicators required.
- 3.5 This is the first annual report relating to the operation of the Council's revised Allocations Policy. The report presents a picture of performance for 2014/15 and is presented in a similar format to previous years.
- 3.6 **APPENDIX I** provides the Committee with an analysis of the level of demand for council housing as at 31 March 2015 and the allocations carried out in 2014/15. **APPENDIX II** provides an analysis of housing stock across the Council's allocations areas. This information has been extracted from the Council's Allocations system at the year-end, 31 March 2015.

4. **HOUSING LIST ANALYSIS (APPENDIX I)**

- 4.1 **Table 1** details the housing list at 31 March 2015. It shows that 3,656 applicants were on the housing list, a decrease of 10 applicants from the previous year. The high number of applicants on the housing list reflects the continued and sustained demand for council housing in Moray.
- 4.2 The main difference in the status of applications from the previous year is the reduction in the number of pending applications. The unusually high figure from the previous year was due to the impending launch of the revised allocations policy.
- 4.3 Analysis of the housing list as at 31 March 2015 shows that 118 applicants were on the homeless list, 3,077 on the waiting list and 461 were on the transfer list. When this is compared with the previous year there is a small increase of applicants on the homeless (+13) and transfer lists (+37) but a slight decrease (-30) on the waiting list.
- 4.4 The total number of applicants suspended from receiving offers has decreased slightly to 160 (-12). The most common reason for suspension continues to be for housing related debt (86.6%).
- 4.5 **Table 2** identifies the needs factors for which applicants have received points. (Many applicants have a combination of needs factors). The most common factors are "need to reside", under occupancy, overcrowding and sharing amenities.
- 4.6 **Table 3** identifies the current housing circumstances of applicants on the housing list. Waiting list applicants are more likely to be private sector tenants, which was the same as in 2013/14. There is a year on year increase in the number of social housing tenants seeking alternative housing. In 2014/15, there were 648 social housing tenants on the waiting list. Of these, 366 (56.5%) were housing association tenants and the remainder were

tenants of other local authorities. Of the 648 households, 383 (59.1%) live out with Moray. The main reasons for these tenants seeking to move include seeking a smaller property (22.67%), seeking a larger property (24.31%), seeking ground floor housing (7.65%) and seeking ground floor mainstream accommodation (12.57%).

- 4.7 **Table 4** shows the size of property sought by applicants on the housing list. The highest demand across all three housing lists (waiting, transfer and homeless) continues to be for one bedroom accommodation. Demand on the homeless list has changed since the previous year with less demand for one bedrooms (-8%) and an increase for two bedroom properties (+6.27%). This rise is due to an increase in the number of homeless couples with children. The highest demand on the transfer list is for 1 and 2 bedroom properties which continues to justify the need for the Council's downsizing incentive scheme.
- 4.8 **Table 5a** shows the first area preference for housing of applicants on the homeless list. The most popular choice for homeless applicants continues to be Elgin, with 54.24% choosing this as their first option. As in previous years, this table clearly highlights the continuing pressure on one bedroom properties.
- 4.9 **Table 5b** shows waiting list applicants' first preference area for housing. This indicates a similar picture to that noted in previous years, with the most popular area for waiting list applicants being Elgin, followed by Forres, Buckie, Lossiemouth and Keith.
- 4.10 **Table 5c** shows transfer list applicants' first preference area for housing. Again, this follows a similar pattern to that noted in previous years, although there has been a slight decrease in the percentage of transfer applicants seeking housing in Keith. There has been a slight increase in percentage of transfer applicants seeking housing in Elgin, Buckie, Forres and Dufftown.
- 4.11 **Table 6** indicates the number of properties let from the three housing lists and also current demand. A total of 465 properties were let in 2014/15 which includes 68 new builds. This compares with 446 lets the previous year which included 40 new builds. The increase in lets during 2014/15 has reduced the potential shortfalls of stock in all bedroom sizes except 2 and 5 bedroom. A total of 197 lets went to applicants on the homeless list, 174 to the waiting list and 94 to housing transfers.
- 4.12 **Table 7** indicates the demand for specialist housing – ground floor, sheltered and wheelchair adapted. Ground floor demand has seen the biggest increase from the previous year with 424 (+ 41) applicants now seeking this type of accommodation. This is followed by demand for wheelchair adapted accommodation with 77 applicants (+ 30) included in this category. There has only been a slight increase in demand for sheltered housing with 57 applicants (+ 2) now requesting this type of provision. Overall demand for specialist housing has increased from 485 in 2013/14 to 558 households (+

73). These increases are reflective of the changing demographics in the general population.

- 4.13 **Table 8** shows that there were only 5 cases where exceptional circumstances point were awarded following a referral to the Housing Needs Review Group in 2014/15. Four of these cases related to care and support needs and the other was a change in family circumstances. This compares with 12 cases awarded these points in 2013/14. The reduction in 2014/15 can clearly be attributed to the revised allocations policy which has addressed some of the main reasons for previous referrals. There continues to be the same number of cases in both years for care and support needs so it is proposed to monitor this category of need during 2015/16 and make further recommendations to this Committee if required.

5. **ANALYSIS OF ALLOCATIONS**

- 5.1 **Table 9** shows the number of applicants housed in the Council's housing stock annually since 2004/05. The total number of lets (465) increased in 2014/15 when compared to the previous year (446). This can be attributed in part to the increase in new build council houses in 2014/15. The total lets as a percentage of the housing stock was 7.8% compared with 7.4% in 2013/14.
- 5.2 **Table 10** identifies the number of applicants housed by nomination to Registered Social Landlords (RSLs). 121 applicants were housed through nomination compared with 133 the previous year. The reduction in RSL lets is attributed to less turn-over of properties within the sector. The majority of lets through nomination went to homeless applicants (64%), followed by waiting list (33%) and housing transfers (3%).
- 5.3 **Table 11** identifies the level of points for those housed either by the Council or by an RSL. In terms of the Council's allocation policy, no points are currently awarded to applicants on the homeless list. 197 households fell into this category and were housed based on their date of application. Of the 268 applicants remaining, 13 applicants (waiting list) and 5 (transfer list) were housed with points in excess of 500. Applications with these levels of points would normally be deemed to be in acute housing need. 146 applicants were housed on points between 499 and 200 and 101 applicants were housed on points below 200. Significantly, 15 applicants were housed with less than 100 points which reflects the variation in terms of demand across Moray. In some rural locations where there is little or no demand, it is still possible for some applicants to be housed on very low points.
- 5.4 **Table 12** shows the number of applicants housed by area. The majority of applicants were housed in the main settlement areas with Elgin being the highest (34.19%) followed by Buckie (26.24%), Forres (23.23%) and Keith (16.34%). The highest proportion of lets were to those on the homeless list (42%) followed by the waiting list (35%) and transfer list (24%). The percentage of allocations across the three housing lists is similar to 2013/14.

- 5.5 A total of 89 new tenancies were created as a result of mutual exchanges in 2014/15. This compares with 116 in 2013/14. Of the 89 tenants who exchanged, 25 (28.09%) downsized to smaller properties.

6. HOUSING NEEDS REVIEW GROUP

- 6.1 A total of 14 cases were presented to the Housing Needs Review Group (HNRG) in 2014/15. This is a significant reduction from the 35 cases presented in 2013/14. **Table 13** details the circumstances and outcomes of each case during 2014/15. Historically, a high proportion of HNRG cases involved applicants who had been deemed to have deliberately worsened their housing circumstances. The revised allocation policy has removed the need for these cases to be heard by the HNRG.

7. APPEALS

- 7.1 There have been no appeals relating to the operation of the Allocations Policy presented to the Housing Appeals Sub Committee during 2014/15.

8. EQUALITIES

- 8.1 **Tables 14, 15 and 16** present current available information on ethnicity monitoring.

9. LOCAL LETTINGS PLAN

- 9.1 A revised Lettings Plan was agreed by the Communities Committee in February 2015 (paragraph 8 of the Minute refers). This will cover the Council's new build programme between 1 April 2015 and 31 March 2018. Allocations made under this Plan are reported to the Communities Committee annually.

10. REVIEW OF THE ALLOCATIONS POLICY

- 10.1 In April 2015, the Council implemented its revised allocations policy. This introduced 10 key changes and it was agreed that an update on these policy changes would be presented as part of the annual report relating to the operation of the housing allocation policy.

Areas of choice

- 10.2 The revised policy allows applicants to apply for as many or as few of the 63 lettings areas in Moray. Although applicants are still asked for their top 3 areas, this information is now only used to facilitate the analysis of housing need. The amended process is more transparent and has speeded up the allocations process. Housing officers are no longer required to contact applicants on a regular basis to review their areas of choice. No further changes are proposed in relation to areas of choice at this time.

Eligibility for specific house sizes

- 10.3 The revised policy allows applicants on the 1 bedroom ground floor list to also be considered for 2 bed ground floor properties. The change was designed to increase choice and opportunity and to ensure that those applicants with highest level of housing need for ground floor accommodation were not bypassed to the benefit of those with modest or even low points.

10.3.1 In 2014/15, 83 applicants were allocated 2 bed ground floor properties. A total of 10 applicants who would have previously only been eligible for a 1 bedroom property were housed through this change in policy. All of these applicants had significant housing need. No changes are proposed to eligibility for specific house sizes.

Refusal of an offer due the under occupation size criteria

- 10.4 The revised allocation policy states that where an applicant refuses an offer of housing due to the removal of the spare room subsidy, they will not be penalised. In considering the refusal, the applicant will thereafter only be considered for a smaller sized property.

10.4.1 In 2014/15, there were no applicants who refused an offer of housing due to the spare room subsidy. It is proposed to continue to monitor the impact of welfare reform on the Council's allocation policy but no further changes are proposed in terms of the existing criteria for considering refusals under this category.

Additional bedrooms due to periodic contact

- 10.5 The revised allocation policy allows applicants with access to children to have one extra bedroom, regardless of how many children are covered by the contact arrangement. This was amended to reflect that they would normally be adequately housed by their primary carer. In the case of exceptional circumstances, the policy allows such cases to be referred to the Housing Needs Review Group for further consideration.

10.5.1 A total of 20 applicants were adversely affected by this policy change prior to the revised policy going live. In 2014/15, 5 were housed (1 via nomination to an RSL), 9 have chosen to cancel their housing application and 6 remain on the housing list waiting for an offer. There have been no requests made to the housing needs review group based on additional bedroom requirements due to periodic contact. It is not proposed to make any further changes to the criteria for considering periodic contact.

Need to reside in a specific area

- 10.6 The revised Allocations Policy awarded need to reside points to those applicants who wished to reside in a specific lettings area. At 31 March 2015, 45.5% of those applicants on the housing list were eligible for these points in their chosen areas. Given the high percentage of awards, it is proposed to carry out further analysis during 2015/16 to establish if these points are working in the way that it was originally intended. This matter will be referred

back to this Committee should the analysis support a need to amend the current allocations policy.

Awarding additional points to those who live in tied accommodation

- 10.7 The revised allocations policy awards additional points to those who live in tied accommodation and their entitlement to occupy is coming to an end. Armed Forces personnel are eligible for these points and so are their spouses in the event that their partner has died. During 2014/15, 10 applicants were awarded tied accommodation points. Of these, 7 were leaving HM forces accommodation within 6 months and the other 3 were leaving other forms of tied accommodation. 2 applicants have been housed, two have cancelled their housing application and 6 remain on the housing list waiting for an offer. It is not proposed to make any further changes to the criteria for points relating to tied accommodation but the outcomes for those awarded these points will continue to be monitored.

Sensitive lettings

- 10.8 Sensitive lets were introduced to allow Officers to deviate from the allocations policy in exceptional circumstances. Instead of allocating a property to the applicant at the top of the list - the person in most housing need, as defined by the Allocation Policy – Officers are able to bypass applicants based on the sensitivity of the property, its location or the applicants personal circumstances. The revised Allocations Policy details when the Council may use sensitive lets and the framework used to ensure that decisions are accountable and transparent.

- 10.8.1 In 2014/15, 20 lets were deemed to be “sensitive” and an audit process is in place to ensure consistency and transparency with regards to decision making. It is not proposed to make any changes to this section of the policy.

Bypassing

- 10.9 The revised policy acknowledges that when selecting an applicant for an offer, the Council will match the needs of the applicant with the suitability of the property. In practice this means that there may be some situations where an applicant (irrespective of their position on the housing list) will be bypassed for an offer of housing.

- 10.9.1 In 2014/15, Officers improved the recording and monitoring for bypassing applicants for an offer of housing. There has been no bypassing pattern found in relation to any particular groups and no major impact uncovered in relation to either individual applicants or the wider housing list. It is not proposed to make any further changes to the current arrangements for bypassing but monitoring of the housing list will continue during 2015/16.

Deliberate worsening of circumstances

- 10.10 The revised policy adopted a stricter criteria for establishing whether an applicant has deliberately worsened their housing circumstances. It also reduced the time that an applicant can be suspended from receiving offers from 12 to 6 months. After the period of suspension, the applicant will once again be entitled to be considered for housing. During 2014/15, 16 applicants

were suspended from receiving an offer due to deliberately worsening of circumstances. This compares with 14 cases in 2013/14. Given the small number of cases, it is not proposed to make any changes to the existing criteria but in light of there being a small increase in cases, Officers will continue to monitor these cases in 2015/16.

Removal of the spare room subsidy

- 10.11 During 2014/15 Officers monitored the impact of the spare room subsidy on applicants who were on the Council's housing list. As at 31 March 2015, only 36 tenants were affected, most of whom were already well placed on the housing transfer list. No points are currently awarded to applicants affected by the removal of the spare room subsidy and it is proposed that this position continues but that Officers continue to keep this position under review in light of the ongoing welfare reform agenda.

- 10.12 It is proposed that quotas for allocations should remain at:

List	Target	Variance
Homeless	40%	+/-5%
Waiting	40%	+/-5%
Transfer	20%	+/-5%

11. SUMMARY OF IMPLICATIONS

(a) Moray 2023 A Plan for the Future/ Service Plan

Moray 2023 and the Service Plan identify the need to address the shortage of affordable housing and tackle homelessness. The revised allocations policy will seek to make best use of the Council's housing stock and will promote healthier citizens and adults living healthier, sustainable independent lives safeguarded from harm.

(b) Policy and Legal

The legislative framework for the Council's Allocations Policy is contained within the Housing (Scotland) Act 2001. The Scottish Social Housing Charter also sets out standards against which the Scottish Housing Regulator will assess local authorities as part of its inspection regime.

(c) Financial implications

There are no financial implications arising from this report.

(d) Risk Implications

There are no immediate risk implications arising from this report.

(e) Staffing Implications

There are no staffing implications arising from this report.

(f) Property

There are no property implications arising from this report.

(g) Equalities

There are no equality issues arising from this report.

(h) Consultations

Consultation on this report has been carried out with the Head of Housing and Property, Principal Accountant (Deborah O'Shea), Legal Manager – Property and Contracts (Aileen Scott), the Committee Services Clerk (Lissa Rowan) and relevant managers in the Housing and Property Service who agree with this report.

12. CONCLUSION

- 12.1 This report has presented the annual review of the Council's housing list and the allocations carried out during 2014/15. It provides Committee with an update on the impact which the revised policy changes have had since its implementation and where necessary has identified areas for further investigation/analysis during 2015/16.**

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Background Papers: with author

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