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**REPORT TO: COMMUNITIES COMMITTEE ON 21 JUNE 2016**

**SUBJECT: ALLOCATIONS POLICY ANNUAL PERFORMANCE REPORT  
2015/16**

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

**1. REASON FOR REPORT**

- 1.1 This report presents the second annual performance review of the revised allocations policy for the period 2015/16.
- 1.2 This report is submitted to Committee in terms of Section III F (4) of the Council's Scheme of Administration relating to the allocation and letting of houses and homelessness.

**2. RECOMMENDATION**

**2.1 It is recommended that the Communities Committee:-**

- (i) considers and notes the report;
- (ii) agrees with the report findings in Section 11 of the report; and
- (iii) agrees the allocations quotas for 2016/17.

**3. BACKGROUND**

- 3.1 This Committee have received performance monitoring information on the operation of its housing allocation policy since 2005.
- 3.2 On 7 April 2014, a revised housing allocation policy went live. The aim of this policy was 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.
- 3.3 The policy details the performance monitoring arrangements for both quarterly reports and an annual report in addition to the statutory performance indicators required.
- 3.4 This is the second annual report relating to the operation of the revised allocations policy. The report presents a picture of performance for 2015/16 and is presented in a similar format to previous years.

- 3.5 **APPENDIX I** provides the Committee with an analysis of the level of demand for council housing as at 31 March 2016 and the allocations carried out in 2015/16. **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 2016.

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

- 4.1 **Table 1** details the housing list on 31 March 2016. It shows that there were 3457 applicants on the housing list, a decrease of 199 (-5.4%). Despite the reduction, the housing system in Moray continues to operate under pressure with demand continuing to exceed supply.
- 4.2 Further analysis of the list shows that 133 applicants were statutory homeless, 2855 were waiting for housing and 469 were seeking a transfer. When this is compared with the previous year there is a small increase of applicants on the homeless (+15) and transfer lists (+8) and a larger decrease of applicants on the waiting list (-199).
- 4.4 The total number of applicants suspended from receiving offers has continued to decrease slightly to 148 (-12). The most common reason for suspension continues to be for housing related debt (79%).
- 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 which is the same as the previous year.
- 4.6 **Table 3** identifies the current housing circumstances of applicants on the housing list. The number of private sector tenants seeking housing has increased (+63) while those in social housing has decreased (-31). The main reduction within the social housing sector has occurred within the Council's own tenants (-47). This may in part be a consequence of the higher number of new build completions (96) that have become available for let during the year.
- 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 remains broadly similar to the previous year with only slight variations in the demand for 2 bedroom properties (+ 2.33%) and 3 bedrooms (-1.67%). The highest demand on the transfer list is for 1 and 2 bedroom properties which combined constitute 71.7% of the list. This demand continues to justify the need for the Council's downsizing incentive scheme, which will be reviewed later this year.
- 4.8 **Table 5a** shows the first area housing preference for homeless applicants. Elgin remains the main first are preference choice at 59.4% (+5.16%), with only minor increases/decreases for all areas. The table does however highlight the continuing pressure for one bedroom properties.

- 4.9 **Table 5b** shows the first area housing preference for those on the waiting list. This is similar to previous years with highest demand for Elgin followed by Forres, Buckie, Lossiemouth and Keith.
- 4.10 **Table 5c** shows the first area housing preference of transfer list applicants. There are variations from the previous year with a decrease in Elgin, Keith, Forres and Dufftown. There has been a slight increase in demand for Buckie and Lossiemouth.
- 4.11 **Table 6** indicates the number of properties let from the three housing lists matched with current demand. 480 properties were let during the year of which, 96 were new build. This compares with 465 the previous year of which, 68 were new builds. The new build programme continues to have a positive impact in addressing potential shortfalls of stock in all bedroom sizes except bedsits and 4/5 bedroom properties. Despite this, the table draws the same conclusion that demand on the housing list continues to exceed supply although there has been a reduction in the number of applicants actively seeking a one bedroom property (-131), two bedrooms (-77) and three bedrooms (-23).
- 4.12 **Table 7** indicates the demand for specialist housing – ground floor, sheltered and wheelchair adapted. Although demand remains consistent with the previous year, there have been some variations in terms of house types required. Ground floor demand has increased to 455 (+31), sheltered housing to 60 (+3) while wheelchair adapted demand has decreased to 45 (-32) most likely due to the development of 32 bungalows in Elgin.
- 4.13 **Table 8** shows that there were only 5 cases where exceptional circumstances points were awarded following a referral to the Housing Needs Review Group in 2015/16. Two cases involved tenants who no longer required an adapted property, one related to alternative accommodation being deemed necessary, one involved a child returning from care and one related to the joint care for a dependent with special needs.

## 5. **ANALYSIS OF ALLOCATIONS**

- 5.1 **Table 9** shows the number of applicants housed in the Council's housing stock annually since 2011/12. The total number of lets (480) in 2015/16 is an increase on the previous year and the highest since 2012/13. This can be attributed in part to the increase in new build completions. The lets as a percentage of housing stock was 7.9% which is similar to the previous year.
- 5.2 **Table 10** identifies the number of applicants housed by nomination to Registered Social Landlords (RSLs). 139 applicants were housed through this route compared with 121 the previous year. The majority of these lets went to homeless applicants (70%), followed by waiting list (24%) and housing transfers (6%).

- 5.3 **Table 11** provides the level of points for those housed either by the Council or by an RSL. In accordance with the Council's allocations policy, homeless applicants are not awarded points and are housed based on the date of their application. 189 applicants were housed under this category, a slight reduction from the previous year (-4%). Of the remaining applicants, 15 applicants were housed with excess of 500 points and all were deemed to be in acute housing need. 178 applicants were housed on points between 200 and 499 and 98 applicants were housed on points below 200. 14 applicants (including 10 transfers) were housed with less than 100 points which reflects the variation in terms of demand across Moray. As in previous years there was little or no demand in some rural locations therefore pursuing an active transfer policy in such circumstances allows the Council to continue to make best use of its housing stock.
- 5.4 **Table 12** shows the number of applicants housed by area. The majority were housed in Elgin (48%) followed by Buckie (22%), Keith (19%) and Forres (12%). Elgin showed the biggest increase (+13.81%) while the remaining areas each showed a decrease with Forres being the highest (-11.23%).
- 5.5 A total of 93 new tenancies were created as a result of mutual exchange of which 21 (22.5%) downsized to smaller properties and 10 as part of the Council's downsizing incentive scheme.

## 6. **HOUSING NEEDS REVIEW GROUP**

- 6.1 A total of 15 cases were presented to the Housing Needs Review Group (HNRG) in 2015/16 – one more than the previous year.
- 6.2 **Table 13** details the circumstances and outcomes of each case. Prior to the introduction of the revised policy, a high proportion of HNRG cases involved applicants who had been deemed to have deliberately worsened their housing circumstances. There were no cases referred to the HNRG in 2015/16 for this reason. This demonstrates the effectiveness that the revised allocations policy has had in removing the need for these cases to be referred to 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 2015/16.

**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. ANALYSIS OF ALLOCATION POLICY CHANGES**

- 10.1 In April 2014, the Council implemented its revised allocations policy which introduced 10 key changes. In August 2015, Committee were provided with an update on the policy changes as part of the annual report relating to the operation of the housing allocation policy (paragraph 17 of the Minute refers). The report identified two key areas where it was agreed that further investigation and analysis would be undertaken. These are:

Referral to the Housing Needs Review for Exceptional Circumstances due to care and support needs

- 10.2 It was agreed that Officers would examine cases being referred to the Housing Needs Review Group for the award of exceptional circumstances due to care and support needs. As highlighted in paragraph 4.13 of this report the number of cases referred to the Housing Needs Review Group for this reason has continued to reduce. Therefore no further changes are proposed under this category.

Need to reside

- 10.3 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. At 31 March 2016, this has increased to 59%. This reflects the success of the policy in assisting people to stay in specific lettings areas and enabling the Council to continue to build and maintain sustainable communities. Officers will continue to monitor and analyse the award of need to reside points but no further changes are proposed under this category.

**11. MONITORING OF KEY POLICY CHANGES**

- 11.1 In addition to the above, the report identified key policy changes which were to continue to be monitored. These are:

Refusal of an offer due the under occupation size criteria

- 11.1.1 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. There have been no applicants who refused an offer of housing due to the spare room subsidy.

Removal of the spare room subsidy

- 11.1.2 As happened the previous year, Officers continued to monitor the impact of the spare room subsidy on applicants who were on the Council's housing list. The analysis showed a similar picture to the previous year. Only 30 applicants were affected, most of whom were already well placed on the housing transfer list. The impact of the under occupying households rules on these applicants has largely been mitigated by the application of discretionary housing payments.

- 11.1.3 The Scottish Government will soon have the power to vary the housing cost element of Universal Credit (including varying the under-occupancy charge). This is set to be devolved to the Scottish Government through the Scotland Act 2016. Although the timeframe has yet to be confirmed, Scottish Ministers have advised that they are committed to using these powers to abolish the spare room subsidy as soon as possible.

- 11.1.4 It is proposed that Officers cease reporting on actions 11.1.1 and 11.1.2 as part of the annual report. Officers will continue to monitor the impact of welfare reform and only report back to this Committee should any significant change occur.

Awarding additional points to those who live in tied accommodation

- 11.2 The revised allocations policy awards additional points to those who live in tied accommodation when 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 2015/16, 10 applicants were awarded tied accommodation points. Of these, 8 were leaving HM forces accommodation within 6 months and the other 2 were leaving other forms of tied accommodation. Five applicants are on the housing list awaiting an offer. Two applicants have received an offer of housing which they have refused. Two applicants have cancelled their application for housing and one applicant secured a private tenancy. 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.

Bypassing

- 11.3 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. Officers continue to monitor this practice regularly and have found no pattern in relation to any particular groups and no major impact

to either individual applicants or the wider housing list. Monitoring and analysis of bypassing applicant for an offer of housing will continue.

#### Deliberate worsening of circumstances

- 11.4 The revised policy adopted stricter criteria for establishing whether an applicant has deliberately worsened their housing circumstances. The aim of this was to remove unfair discretion and put the assessment process more in line with the legislative requirements set out when assessing homelessness. In 2015/16, there were 7 applicants considered to have deliberately worsened their housing circumstances. This compares with 16 in 2014/15 and 14 the previous year. The number of appeals against such a decision have reduced and the revised criteria works well. It is therefore not intended to make any further changes to the existing criteria.

### **12. ALLOCATIONS QUOTAS FOR THE HOUSING LIST**

- 12.1 Analysis of allocation data identifies that the highest proportion of lets were to those on the waiting list (40.2%) then followed by the homeless list (39.4%) and transfer list (20.4%). The percentage of allocations across the three housing lists complied with the allocation quotas for 2015/16.
- 12.2 It is proposed that the quota for allocations should remain at:

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

### **13. LEGISLATIVE CHANGES**

#### The Housing (Scotland) Act 2014

- 13.1 The Housing (Scotland) Act 1987 sets out the legal framework for social housing lists and allocations. The Housing (Scotland) Act 2014 received Royal Assent on 1 August 2014 and this amends the 1987 Act.
- 13.2 The Scottish Government has issued consultative guidance documents on the provision of social housing contained within the Housing (Scotland) Act 2014. It is anticipated that final guidance will be made available online in June 2016 but no changes can be implemented until the necessary commencement orders and secondary legislation is laid before parliament. This is not expected to happen until August 2016.
- 13.3 Once the final guidance has been issued, the Allocations Policy will be reviewed and amendments made in order to ensure compliance. A further report detailing the guidance and proposed changes will be presented to a future Committee.

#### **14. 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 implications arising from this report.

**(d) Risk Implications**

There are no immediate risk implications arising from this report.

**(e) Staffing Implications**

There are no implications arising from this report.

**(f) Property**

There are no property implications arising directly from this report.

**(g) Equalities**

There are no equality implications 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), the Legal Services Manager (Property and Contracts), the Committee Services Officer (Lissa Rowan) and relevant managers in the Housing Service who agree with this report.

#### **15. CONCLUSION**

- 15.1 This report presents the annual review of the Council's housing list and the allocations carried out during 2015/16. It provides Committee with an update on the impact of the revised policy changes since their implementation and advises Committee of future changes that will be required.**



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Background Papers:	With author
Ref:	