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**REPORT TO: COMMUNITIES COMMITTEE ON 6 JUNE 2017**

**SUBJECT: ALLOCATIONS POLICY ANNUAL PERFORMANCE REPORT  
2016/17**

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

**1. REASON FOR REPORT**

- 1.1 To inform the Committee of the performance of the Council's Allocations Policy during 2016/17.
- 1.2 This report is submitted to Committee in terms of Section III (G) (4) of the Council's Scheme of Administration relating to the allocation and letting of housing.

**2. RECOMMENDATION**

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

- (i) considers and notes the performance identified within the report;  
and**
- (ii) agrees the allocations quotas for 2017/18;**

**3. BACKGROUND**

- 3.1 This Committee has considered performance monitoring information on the operation of its Housing Allocation Policy annually since 2005. These reports have been presented in a consistent format since that time. The most recent report was presented to this Committee on 21 June 2016 (Paragraph 8 of the Minute refers)
- 3.2 The Local Housing Strategy (LHS) sets out the Council's approach to addressing housing need and homelessness, property condition and fuel poverty. The operation of the Allocations Policy is a key factor in the delivery of LHS outcomes. Officers are preparing a new LHS for the period 2018-2023 which will be presented to this Committee later in the year. This Committee also considers a performance monitoring report on progress on LHS outcomes annually.
- 3.3 The Council must produce a "robust and credible" Housing Need and Demand Assessment (HNDA) which provides the evidence base for the development of both the LHS and Local Development Plan (LDP). The operation of the

allocations policy, housing list demand trends, turnover and availability of social rented housing are key factors contributing to the findings of HNDA.

- 3.4 Since 2014, the Committee has considered the council's landlord performance which is submitted annually to the Scottish Housing Regulator. The Annual Return on the Charter (ARC) includes information which is pertinent to this report, the HNDA and the LHS:

Indicator 2 Ethnic Origins  
 Indicator C7 Number of lets during the reporting year  
 Indicator C8 The number of lets during the reporting year by source of let  
 Indicator C10 Housing lists  
 Indicator C17 Stock by house types, apartment sizes and average weekly rents

- 3.5 On 13 September 2016, this Committee agreed to change how the operation of the Allocations Policy would be presented at future Committees to begin in 2017 (paragraph 6 of the Minute refers). This was primarily to minimise duplication and to streamline the reports that would be presented to this Committee.

- 3.6 Statistical information on the operation of the policy is presented in **APPENDIX I** and shows:

- Demand figures for the last 5 years to allow an assessment of trends over a longer term; and
- Area preferences aggregated into Housing Market Areas (HMAs) for spatial planning and reporting in the HNDA, LHS and LDP.

#### **4. ANALYSIS OF HOUSING LIST ALLOCATION AND DEMAND TRENDS (APPENDIX I)**

- 4.1 **Table 1** provides details of the housing list for the last 5 years. This shows that the total number of households on the housing list has remained generally stable but the homeless list continues to grow. This is being driven predominately by the number of single people who are presenting to the Council as homeless and the lack of suitable one bedroom properties that are becoming available for re-let. Although the transfer list has remained relatively stable over the past 5 years, the increase in 2016/17 is most likely due to the new build housing programme and its emphasis on accessible housing and larger family accommodation. Trends relating to the housing list will be considered in depth as part of the forthcoming HNDA and the development of the next LHS.
- 4.2 **Table 2** details the size and type of housing required by applicants on the housing list. Over the past 5 years, there has been significant increases in demand for amenity/accessible housing and, to a lesser extent, sheltered housing. This is consistent with the projected demographic changes in Moray

and the ageing population. These issues will also be considered in depth as part of the forthcoming HNDA and LHS.

- 4.3 **Table 3** provides summarised information on the 1<sup>st</sup> area preferences of current housing list applicants. It shows that area preferences are broadly in proportion to the number of dwellings (all tenures) in each Housing Market Area.
- 4.4 Applicants who apply for housing are able to state where they want to live. This allows them the choice of up to 63 lettings areas across Moray. Often these choices are driven by urgency rather than a desire to live in a particular area. To support the overall strategic process, applicants are separately requested to state their 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> areas of preference (i.e. where they would ideally choose to live). This information is used to inform the HNDA, LHS and Strategic Housing Investment Programme (SHIP) for the supply of new affordable housing.
- 4.5 **Table 4** provides details of the number of re-lets from council stock in 2016/17. When this is compared to the housing list as at 31 March 2017, it shows that for every property allocated during the reporting year, there were approximately 9 applicants on the list waiting for every expected re-let (9:1). When this is compared to individual house types the pressures become even more evident:
- 4 bedrooms (33:1);
  - 3 bedrooms (12:1);
  - 2 bedrooms (5:2); and
  - 1 bedroom (28:1)

The table also shows that there is no evidence of significant migration between Housing Market Areas.

- 4.6 **Table 5** shows that the rate of re-lets (turnover) has been falling over the last 5 years. This means that the availability of council vacancies is reducing while homeless demand continues to increase. The relationship between social housing re-let rates and housing demand will be set out in more detail in the forthcoming HNDA 2017 and LHS 2018-23.

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

- 5.1 The housing list consists of three separate lists (waiting, transfer and homelessness). The Waiting List consists of applicants who are waiting for a council house; the Transfer List those who have a council tenancy but want to move and the Homeless List those who have been assessed as statutory homeless. The ratio of allocation to be made to each list is determined annually by the Communities Committee.
- 5.2 **Table 6** shows the proportion of allocations made to applicants from the 3 housing lists, over the last 5 years. Up until 2016/17, the quotas have been achieved but in 2016/17 the proportion of allocations made to homeless households exceeded the agreed quota (54.9%). The reason for this was

due to a lack of temporary accommodation which will be increased in 2017/18. The Head of Service approved the higher quota for homeless households during the year to reduce pressures on temporary accommodation and to prevent where possible the use of bed and breakfast accommodation.

- 5.3 Any changes to the allocation quotas can have unintended consequences. If the homeless list for example were to receive a higher degree of allocations, it is likely that the homeless list would significantly increase as this would be seen by many applicants as the only route into permanent housing. Conversely, increasing the quotas for the waiting and/or transfer lists would disadvantage those that are statutory homeless. Previous Committees have always taken a pragmatic view and agreed quotas intended to strike an acceptable balance between all three applicant groups. It is therefore proposed that the quotas should remain unchanged at:

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

## 6. **LOCAL LETTINGS PLAN**

- 6.1 A revised Lettings Plan was agreed by this Committee in February 2015 (paragraph 8 of the Minute refers). The Lettings Plan applies only to first lets of new build Council properties, and sets out how the Council will deviate from the Allocations Policy to achieve its outcome of establishing sustainable new communities. This includes deviation from the annually agreed quotas for allocations from each housing list. The plan will be administered by a Lettings Plan Panel. The operation of the Lettings Plan will be reported to Committee annually as part of the annual report on the LHS, linked to the delivery of the Council's new build programme.

## 7. **LEGISLATIVE CHANGES**

- 7.1 The Housing (Scotland) Act 2014 received Royal Assent on 1 April 2014. Local Authorities await final guidance on some of the proposed changes that will impact on their housing allocations policies. Once received, a further report will be presented to this Committee outlining the key legislative changes.

## 8. **SUMMARY OF IMPLICATIONS**

### (a) **Moray 2026: A Plan for the Future and Moray Corporate Plan 2015 - 2017**

Moray 2026 and the Service Plan identify the need to address the shortage of affordable housing and tackle homelessness. The Allocations Policy seeks to make the best use of the Council's housing stock and promote healthier citizens and adults living healthier, sustainable independent lives safeguarded from harm.

**(b) Policy and Legal**

There are no implications arising from this report.

**(c) Financial implications**

There are no financial implications arising from this report.

**(d) Risk Implications**

There are no 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 taken place with the Head of Housing and Property, Deborah O'Shea (Principal Accountant), Legal Services Manager (Property and Contracts), Lissa Rowan (Committee Services Officer) and senior managers within Housing and Property and any comments have been incorporated into the report.

**9. SUMMARY OF IMPLICATIONS**

**9.1 This report presents the annual review of the operation of the Council's Housing Allocations Policy. It identifies housing demand, trends and current/future pressures. The HNDA 2017 and LHS 2018 will consider the implications identified in this report and updates on each will be reported to future Committees.**

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Background Papers: with authors

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