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**REPORT TO: COMMUNITIES COMMITTEE ON 26 JUNE 2018**

**SUBJECT: ALLOCATIONS POLICY ANNUAL PERFORMANCE REPORT  
2017/18**

**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 2017/18.
- 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;**
- ii) agrees the allocations quotas for 2018/19; and**
- iii) notes the planned actions for implementation of the Housing (Scotland) Act 2014.**

**3. BACKGROUND**

- 3.1 This Committee has considered performance monitoring information on the operation of its Housing Allocation Policy annually since 2005. The most recent report was presented to this Committee on 6 June 2017 (Paragraph 9 of the Minute refers).
- 3.2 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 Local Housing Strategy (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. Officers presented the HNDA findings to this Committee on 1 May 2018 (Paragraph 5 of the draft Minute refers).

- 3.3 The 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. This Committee also considers an annual performance monitoring report on progress on LHS outcomes.
- 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:

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

#### 4. ANALYSIS OF HOUSING LIST ALLOCATION AND DEMAND TRENDS

- 4.1 Statistical information on the operation of the policy is presented in **APPENDIX I** and shows:
- 4.2 **Table 1** provides details of the housing list for the last 5 years. This shows that the total number of households on the Homeless List has remained stable, but there has been a significant reduction in the Waiting List total and an increase in the Transfer List. The upward trend in Transfer List applications is most likely due to the new build housing programme and its emphasis on accessible housing and larger family accommodation. Housing List trends are described in more detail in the HNDA 2017 and will be considered in depth as part of the next LHS.
- 4.3 **Table 2** details the size and type of housing required by applicants on the housing list. Over the past 5 years, there have been significant increases in demand for amenity/accessible housing. This is consistent with the projected demographic changes in Moray and the ageing population. Demand for sheltered housing has remained stable despite demographic change. These issues will also be considered in depth as part of the forthcoming LHS.
- 4.4 **Table 3** provides summarised information on the 1st 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.
- 4.5 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 and availability, rather than a desire to live in a particular area. To support the overall strategic process, applicants are asked separately to state their 1st, 2nd and 3rd 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.

4.6 **Table 4** provides details of the number of re-lets from council stock in 2017/18. When this is compared to the housing list as at 31 March 2018, it shows that for every property allocated during the reporting year, there were approximately 8 applicants on the list per re-let (8:1). When this is compared to individual house types the pressures become even more evident:

- 4 bed (159:1);
- 3 bed general needs (11:1);
- 2 bed general needs (5:1); and
- 1 bed general needs (20:1)

4.7 **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. The relationship between social housing re-let rates and housing demand is described in detail in HNDA 2017 and will be considered further in the LHS 2018-23, and as part of the Allocations Policy review.

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

## 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 statutorily homeless. The ratio of allocations 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. In 2016/17 the proportion of allocations made to homeless households exceeded the agreed quota (54.9%) for the first time and has been exceeded again in 2017/18 (51.2%). The Head of Housing and Property approved this higher quota for homeless households during the year, in an effort to reduce pressures on temporary accommodation and to minimise the use of bed and breakfast accommodation.

5.3 Any changes to the allocation quotas can have unintended consequences. For example, if the Homeless List were to receive a higher quota 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 statutorily homeless. Historically this Committee has taken a pragmatic view and agreed quotas intended to strike an acceptable balance between all three applicant groups. Therefore it is proposed that the quotas should remain unchanged at:

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

## **6. HOUSING (SCOTLAND) ACT 2014**

- 6.1 The Housing (Scotland) Act 2014 received Royal Assent on 1 April 2014. It changes some aspects of the law on social housing allocations and management. The Scottish Government has developed guidance which will be formally published in 2018 after the Commencement Order for the provisions has been passed by the Scottish Parliament. Housing and Property have begun a review of the Allocations Policy, in preparation for this legislative change and also to address any relevant issues arising from the HNDA 2017. The details of this review are the subject of a report elsewhere on this agenda.

## **7. SUMMARY OF IMPLICATIONS**

### **(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))**

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**

The Housing (Scotland) Act 2014 received Royal Assent on 1 April 2014. It changes some aspects of the law on social housing allocations and management. All social landlords will be required to review their Allocations Policies to comply with legislation.

The Housing (Scotland) Act 2001 amends the 1987 Act and requires councils to provide a minimum of temporary accommodation, advice and assistance to all applicants assessed as homeless, regardless of whether they have been assessed as being in priority need. From 31 December 2012 the priority need test for homeless households was abolished. As a result, from this date, all unintentionally homeless households are entitled to settled accommodation. The Scottish Social Housing Charter 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 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/Socio Economic Impact**

There are no impacts in relation to equal opportunities or the socio-economic duty as the purpose of the report is to inform Committee on performance.

**(h) Consultations**

Consultation on this report has taken place with the Head of Housing and Property, Housing Needs Manager, Housing Services Manager, Housing Strategy and Development Manager, Deborah O'Shea (Principal Accountant), Equal Opportunities Officer, Legal Services Manager (Property and Contracts), Caroline Howie (Committee Services Officer) and any comments have been incorporated into the report.

**8. CONCLUSION**

**8.1 This report presents the annual review of the operation of the Council's Housing Allocations Policy. It also identifies housing demand, trends and current/future pressures. It is proposed that the allocations quotas remain unchanged for 2018/19. The LHS 2018-23 and the Allocations Policy Review will consider further the issues identified in this report and updates on each will be reported to future Committee meetings.**

Author of Report: Fiona Geddes, Senior Housing Officer (Strategy)  
Background Papers: with author  
Ref: