

REPORT TO: Cabinet

MEETING DATE: 13 May 2014

BY: Depute Chief Executive (Partnerships and Community Services)

SUBJECT: Council House Allocations Targets for 2014/15

1 PURPOSE

- 1.1 To seek Cabinet approval for Council House Allocation targets for the period 1 April 2014 to 31 March 2015.
- 1.2 To seek Cabinet approval for a review of the targets within six months predicated on the development of local lettings plans.
- 1.3 To explain the context, legal position and rationale for the proposed targets.

2 RECOMMENDATIONS

- 2.1 That Cabinet approves the recommended targets detailed in Section 3.25 of this Report.
- 2.2 That Cabinet approves a review of the targets within six months subject to the possible requirement for local lettings plans.
- 2.3 That Cabinet notes that performance against these targets is reviewed on a weekly basis and that such review forms part of the analysis in setting future targets in 2015/16 and beyond.
- 2.4 That Cabinet notes that ongoing regular monitoring of performance has been embedded within the Community Housing Performance Management Framework.

3 BACKGROUND

- 3.1 The Council operates a Groups and Points Allocations Policy, which has been operational since its introduction in July 2007 following a major

review of the previous Policy. A further review has recently completed and further detail of this can be found in the report submitted to Council in February 2014.

- 3.2 The main objective of the Allocations Policy is to meet the Council's legal obligations specified in the Allocations and Homelessness Legislation. The Policy, along with other associated actions will also help the Council make best use of Council housing stock. In addition, the Policy also assists the Council to achieve, along with other complimentary actions, balanced and sustainable communities through Local Lettings Plans.

Legal Obligations

- 3.3 In setting any targets against each group the Council must give reasonable preference to certain statutory groups when allocating Council houses. These include applicants living in overcrowded or unsatisfactory housing conditions and those applicants who are homeless or threatened with homelessness.
- 3.4 Most of the statutory groups are found in the General Needs Group, although some applicants may fall into the Transfer Group, such as those who need re-housing because of overcrowding or whose health is being negatively impacted upon in their current accommodation.

The Homelessness etc (Scotland) Act 2003 – Abolition of Priority Need

- 3.5 The above Act which took effect from 1 January 2013 has abolished the "priority need" test and now places a duty on local authorities to provide settled accommodation to anyone found to be unintentionally homeless. This in turn places further demands on the Council's housing list.

Children and Young People (Scotland) Bill 2013

- 3.6 This new legislation specifically impacts on the provision of accommodation to young people leaving the care system.
- 3.7 The Council "Starter Flat" approach, which allocates these tenancies within the General Needs Group has already helped the Council deliver its corporate parenting objectives. The new legislation extends these responsibilities to former looked after children up to the age of 26.

Target Principles

- 3.8 Scottish Government Allocations Guidance (2011) states that all targets should contain sufficient flexibilities to allow the landlord to continue to meet significant housing need when a target has been reached. The functionality to review targets against changing housing demand forms part of a responsive allocations policy.
- 3.9 With this in mind, the allocations targets will be reviewed within six months to ensure that they continue to reflect the greatest housing

demand. If, after analysis, a change to the targets is deemed necessary, a paper outlining the change will be submitted to Cabinet for approval.

- 3.10 The recommended targets in this report are set against both existing stock and new build properties. Originally new build properties were let through separate Bespoke Lettings Plans, as and when new developments came forward.
- 3.11 The Council had provision through the Allocations Policy to set separate Allocations Targets, where appropriate, for initial new build lets.
- 3.12 This provision allowed the Council to set high transfer targets within Bespoke Lettings Plans for each new development to help maximise transfer activity and make best use of stock. However, this has led to transfer demand being exhausted in some areas and reduced to those with no housing or low housing need in others. This practice has been identified by the Scottish Housing Regulator (SHR) as disadvantageous for those who have a higher priority for housing in their last on-site inspection of East Lothian Council. The SHR inspection report and the Council's response can be found in an earlier report to Council in April 2013.
- 3.13 This coupled with the need to address the abolition of priority need impact means it is not sustainable to routinely set higher transfer allocation targets for new build developments.

Making Best Use of Council Stock

- 3.14 Significant effort has been made in the last few years to encourage transfer activity in order to make best use of stock i.e. by creating vacancy chains, which free up additional houses to those initially let to transfer applicants.
- 3.15 To help facilitate this, the Council has also 'incentivised' transfers for existing tenants in larger family-sized properties to move to smaller and more appropriately sized accommodation.
- 3.16 New housing benefit changes with effect from April 2013 affected those who have a "spare" bedroom. This has led to some tenants wanting to downsize, in turn creating greater demand for smaller sized accommodation.
- 3.17 As at the end of March 2014, 33% of allocations against these reported groups have gone to transfer applicants as against the target of 35% previously agreed by Cabinet.
- 3.18 As of the same date, 37% of new build allocations have gone to transfer applicants.

Sustainable Communities

- 3.19 Good practice states that landlords should not exclude any prospective tenants from accessing housing.

- 3.20 Good practice also dictates that Local Lettings Plans can only be used when there is demonstrably good reason to do so e.g. high turnover, anti-social behaviour etc., and to promote and enable balanced and sustainable communities.
- 3.21 The Council must set appropriate targets for those with low housing need at such a level that make sufficient material and positive impact to Local Lettings Plans, but at the same time continue to allow the Council to meet its overriding legal obligations to the reasonable preference groups as defined in housing legislation. As such, this flexibility within the lettings targets to positively and materially impact on housing allocations should be retained.
- 3.22 Each local housing team has been asked to consider potential lettings plans during 2014/15 to help achieve balanced and sustainable communities. These will be taken to their respective Local Housing Partnerships for further consideration and support. As a result, the Local Lettings Plan position will be reviewed in six months time to allow a possible target to be set predicated on proposals for Local Lettings Plans being developed and agreed.

2013/2014 Allocations against reported groups

- 3.23 The following table shows the numbers and percentages of allocations for the following groups from the start of the financial year 1 April 2013 to 31 March 2014

Type	Number	Percentage	Targets 2013/14
General Needs	281	67%	65%
Transfers	140	33%	35%
Sustainable Communities	0	0%	0%
Total	421	100%	100%

- 3.24 The attached Appendix 1 shows additional performance against new build lets and a consolidated table against all lets (both reported and new build).

2014/15 Allocations Targets

- 3.25 Taking account of the 2013/14 data, legal obligations such as the increased homelessness duties in 2013, optimum stock utilisation and sustainability objectives, senior management within Housing propose the following percentage targets for the first six months of 2014/15 as set out in the table below.

Group	Proposed Targets
General Needs	65%
Transfers	35%
Sustainable Communities	0%

4 POLICY IMPLICATIONS

- 4.1 The proposed targets should enable the Council to meet its legal obligations under the Housing (Scotland) Act 2001 and Homelessness etc (Scotland) Act 2003.

5 EQUALITIES IMPACT ASSESSMENT

- 5.1 A Combined Impact Assessment was undertaken as part of the implementation of the new Allocations Policy and was separately lodged in the Members' Library.
- 5.2 The Combined Impact Assessment has found no negative impacts.

6 RESOURCE IMPLICATIONS

- 6.1 Financial – None.
- 6.2 Personnel - None.
- 6.3 Other - None.

7 BACKGROUND PAPERS

- 7.1 Attached Appendix 1 – Consolidated Allocations Activity 2013/14.
- 7.2 Council Report – Review of the Housing Allocations Policy – February 2014.

- 7.3 Housing Allocations Policy available in the Members' Library (Reference: 23/14, February 2014 bulletin).
- 7.4 Council Report – Scottish Housing Regulator Report and Improvement Plan – April 2013

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Appendix 1

Consolidated Allocations Activity 2013/14 (1 April 2013 to 31 March 2014)

New Build Lets (Individual targets for each new development)

Type	Number	Percentage
General Needs	71	63%
Transfers	41	37%
Total	112	100%

All Lets (Reported Groups and New Build)

Type	Number	Percentage
General Needs	352	66%
Transfers	181	34%
Sustainable Communities	0	0%
Total	533	100%