

**REPORT TO:** Cabinet

**MEETING DATE:** 14 June 2016

**BY:** Depute Chief Executive (Partnerships and Community Services)

**SUBJECT:** Council House Allocation Targets for 2016/17

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## **1 PURPOSE**

- 1.1 To seek Cabinet approval for Council House Allocation Targets for the period 1 July 2016 to 31 March 2017.
- 1.2 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 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 2017/18 and beyond.
- 2.3 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 Group and Points Allocations Policy, which has been operational since its introduction in July 2007 following a major review of the previous Policy. Some small changes have been made to the policy over the last few years. The most recent ones are referred to in the report to East Lothian Council (25 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 complementary 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.
- 3.5 The Homelessness etc. (Scotland) 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.
- 3.6 The Children and Young People (Scotland) Act 2014 specifically impacts on the provision of accommodation to young people leaving the care system. The Council “Starter Flat” approach, which allocates these tenancies within the General Needs Group has already helped the Council deliver its corporate parenting objectives.

### **Target Principles**

- 3.7 Scottish Government Allocations Guidance (2011) states that all targets should contain sufficient flexibilities to allow the landlord to continue to meet significant need when a target has been reached. The functionality to review targets against changing housing demand forms part of a responsive allocations policy.
- 3.8 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.

### **Making best use of stock**

- 3.9 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.
- 3.10 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 by awarding downsizing grants.

- 3.11 New housing benefit changes with effect from April 2013 affected those who have a “spare” bedroom deemed to be under-occupying. This has led to some tenants wanting to downsize, in turn creating greater demand for smaller sized accommodation.
- 3.12 Full mitigation of the Housing Benefit under-occupancy reduction through Discretionary Housing Payments has helped ease this pressure but this may not be a long-term solution and is the subject of various committee reports.
- 3.13 In recent times there have been a number of zero point transfer allocations, which has led to those with no housing need being re-housed before those with housing need. Allocations to those with no need places greater strain on supply for those in real housing need but just as importantly causes delays to the throughput of temporary accommodation, which has associated negative impacts for the Council.
- 3.14 Given the above, Cabinet approved revised allocations targets with effect from 1 November 2015 (Cabinet report dated 20 October 2015). This action reduced the transfer target and had a corresponding increase to the General Needs target where most of the reasonable preference groups’ applicants can be found, not least those who are homeless.
- 3.15 As at the end of March 2016, 67% of all allocations for 2015/16 have gone to the General Needs group against a revised target of 75% and 32% of allocations have gone to the Transfer group (against a revised target of 20%).
- 3.16 The level of allocations for the five months from 1 November 2015 to 31 March 2016 is much closer to the revised target for General Needs (71% of allocations against a target of 75%) and 29% of allocations against a revised target of 20% for transfers.
- 3.17 The Council has been unable to meet these revised targets largely due to low numbers of voids coming through in the latter half of the 15/16 financial year giving little “turning room” to meet the new targets. In addition, some of the early voids in this period would already have been banded and offered out as per the previous targets. Furthermore, some properties would have been unsuitable for re-banding to meet the needs of homeless and other reasonable preference groups (such as amenity, adapted and sheltered accommodation).

### **Sustainable Communities**

- 3.18 Good practice states that landlords should not exclude any prospective tenants from accessing housing.
- 3.19 Good practice also dictates that Local Lettings Plans can only be used where 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.

- 3.20 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.
- 3.21 Each local housing team has been asked to consider potential local lettings plans to help achieve balanced and sustainable communities. These plans will then be taken to their respective Local Housing Partnerships (LHP) for further consideration and support.
- 3.22 On support from their respective LHPs, Local Lettings Plans will be submitted to the Members Library. It is anticipated that the total target for Sustainable Communities will not exceed 5% but again will be subject to strict monitoring.

#### **2015/16 Allocations against reported groups**

- 3.23 There were a total of 403 allocations during 2015/16. The following table shows the numbers and percentages of allocations for the following groups from the start of the financial year 1 April 2015 – 31 March 2016 against the original targets (1 April – 31 October 2015) and the revised targets (1 November 2015 – 31 March 2016).

<b>Type</b>	<b>Number</b>	<b>Percentage</b>	<b>Original Targets 2015/16</b>	<b>Revised Targets 2015/16</b>
<b>General Needs</b>	<b>271</b>	<b>67%</b>	<b>65%</b>	<b>75%</b>
<b>Transfers</b>	<b>127</b>	<b>32%</b>	<b>30%</b>	<b>20%</b>
<b>Sustainable Communities</b>	<b>5</b>	<b>1%</b>	<b>5%</b>	<b>5%</b>
<b>Total</b>	<b>403</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

- 3.24 Taking account of the 2015/16 data, legal obligations such as the increased homelessness duties in 2013, increasing pressure on the provision of temporary accommodation, optimum stock utilisation and sustainability objectives, senior management within Housing propose the following percentage targets for 2016/17.
- 3.25 It is important to recognise these targets are more closely aligned with the relative housing need of both groups on East Lothian Council's housing list as well as more reflective of the national picture in terms of allocations from the Transfer and General Needs Groups.

<b>Group</b>	<b>Proposed Targets</b>
General Needs	<b>70%</b>
Transfers	<b>25%</b>
Sustainable Communities	<b>5%</b>

- 3.26 The introduction of these targets should be seen in the context of a range of measures required by the Council and its partners to increase the supply of affordable housing, temporary accommodation and to help provide those in housing need explore a fuller range of housing options, the detail of which will be the subject of a future report.

#### **4 POLICY IMPLICATIONS**

- 4.1 The proposed allocations targets will assist the Council to meet its legal obligations under the Housing (Scotland) Act 2001 and the Homelessness etc (Scotland) Act 2003.
- 4.2 The Council's allocations policy will be reviewed again to ensure compliance with the new Housing (Scotland) Act 2014. Detailed Scottish Government guidance on this is expected in the coming months.

#### **5 INTEGRATED IMPACT ASSESSMENT**

- 5.1 The subject of this report, i.e. the Allocations Policy has been through the Combined Impact Assessment process and no negative impacts have been identified. A copy has been separately lodged in the Members Library.

#### **6 RESOURCE IMPLICATIONS**

- 6.1 Financial – This change to targets will help reduce the overall financial strains on the provision of temporary accommodation by assisting throughout of all forms of temporary accommodation to settled accommodation.

This is notwithstanding the impact of the Universal Credit rollout as referenced in the recent Cabinet report on the Provision of Temporary Accommodation (April 2016).

6.2 Personnel – None.

6.3 Other – None.

## **7 BACKGROUND PAPERS**

7.1 Council Report – Housing Allocations Policy Review 2013/14 – February 2014

7.2 Cabinet Report – Provision of Temporary Accommodation – April 2016

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<b>DATE</b>	31 May 2016