

**REPORT TO:** Cabinet

**MEETING DATE:** 16 January 2018

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

**SUBJECT:** Council House Allocation Targets for 2018/19

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## **1 PURPOSE**

- 1.1 To seek Cabinet approval for Council House Allocation Targets for the period 1 April 2018 to 31 March 2019.
- 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 3.22 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 2018/19 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). A further review is now underway and is the subject of an accompanying report.
- 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.
- 3.6 The Homeless Persons (Unsuitable Accommodation) (Scotland) Order 2014 states that persons who are pregnant or who have dependent children and those who might reasonably be expected to reside with them cannot occupy unsuitable temporary accommodation i.e. bed and breakfast for longer than seven days (prior to October 2017 this was 14 days). This in turn places further demands on the Council’s housing list.
- 3.7 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**

- 3.8 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.
- 3.9 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.

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

- 3.10 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.

- 3.11 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.
- 3.12 Housing benefit changes with effect from April 2013 affected those who have a "spare" bedroom deemed to be underoccupying. This has led to some tenants wanting to downsize, in turn creating greater demand for smaller sized accommodation.
- 3.13 Full mitigation of the Housing Benefit under-occupancy reduction through Discretionary Housing Payments has helped ease this pressure but this may not continue to be a long-term solution and is the subject of various committee reports.
- 3.14 Cabinet most recently approved revised allocations targets in June 2016 (Cabinet report dated 14 June 2016). 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. Homelessness pressure continues to be extreme as outlined in this report and other recent reports to Cabinet.
- 3.15 As at the end of November 2017, 69.78% of all allocations for 2017/18 have gone to the General Needs group against a target of 70% and 28.66% of allocations have gone to the Transfer group (against a target of 25%).

### **Sustainable Communities**

- 3.16 Good practice states that landlords should not exclude any prospective tenants from accessing housing.
- 3.17 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.
- 3.18 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.
- 3.19 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.

- 3.20 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.

**2017/18 Allocations against reported groups (as at end of Nov 2017)**

- 3.21 There were a total of 321 allocations from 1 April 2017 to 30 November 2017. The following table shows the numbers and percentages of allocations for the following groups for this period.

Type	Number	Percentage	Targets 2017/18
General Needs	224	69.78%	70%
Transfers	92	28.66%	25%
Sustainable Communities	5	1.56%	5%
<b>Total</b>	<b>321</b>	<b>100%</b>	<b>100%</b>

- 3.22 Taking account of the 2017/18 data, legal obligations such as the recent change to the Homeless Persons (Unsuitable Accommodation) (Scotland) Order 2014, increasing pressure on the provision of temporary accommodation, optimum stock utilisation and sustainability objectives, senior management within Housing propose the following percentage targets for 2018/19.

Group	Proposed Targets
General Needs	70%
Transfers	25%
Sustainable Communities	5%

- 3.23 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 address homelessness, the detail of which can be found in the report to Cabinet dated 14 November 2017.

#### **4 POLICY IMPLICATIONS**

- 4.1 The proposed allocations targets will assist the Council to meet its legal obligations under the Housing (Scotland) Act 2001, the Homeless Persons (Unsuitable Accommodation) (Scotland) Order 2014 (as amended) and the Homelessness etc. (Scotland) Act 2003.

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

- 5.1 A full integrated impact assessment will be undertaken as part of the Allocations Policy Review (see accompanying report).

#### **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 throughput of all forms of temporary accommodation to settled accommodation.

6.2 Personnel – None.

6.3 Other – None.

#### **7 BACKGROUND PAPERS**

- 7.1 East Lothian Council Report – Housing Allocations Policy Review – February 2014
- 7.2 Cabinet Report – Council House Allocation Targets for 2016/17 – June 2016
- 7.3 Cabinet Report – Homelessness Update and Action Plan – November 2017

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