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| Agenda Item | 14        |
| Report No   | FHR/99/13 |

## Highland Housing Register Allocations Policy: Annual Report

### Report by the Depute Chief Executive/Director of Housing and Property

#### Summary

This report provides annual monitoring information on the operation of the Highland Housing Register (HHR) allocations policy for 2012/2013. It highlights key issues in relation to the supply and demand for social rented housing in Highland. The report also identifies areas for policy review and sets out the national policy context for social housing allocations.

#### 1. Annual allocations monitoring and analysis

- 1.1 Part 1, Sections 9 and 10 of The Housing (Scotland) Act 2001 set out the main legal duties relating to access to housing registers and the allocation of social rented housing.
- 1.2 The Highland Council and the five main registered social landlords in Highland implemented a common housing register with a single allocations policy in 2008. The Highland Housing Register (HHR) is subject to ongoing monitoring with an annual report to the Finance Housing and Resources Committee and to the Boards of partner organisations. The annual HHR allocations monitoring report for 2012/13 is set out in **Appendix 1**. A further more detailed analysis of housing needs and related housing supply issues is available in a separate paper on the Members bulletin.
- 1.3 The key issues arising in relation to the operation of the Highland Housing Register in 2012/13 are summarised below.

#### 2 Demand for housing

- 2.1 The number of applications for social housing in Highland has reduced from last year by 1,026 to 9,083 households. Of these 6,798 (75%) are general housing list applicants and 2,285 (25%) are existing tenants seeking a transfer to another house.
- 2.2 The reduction in applications on the register follows a re-registration exercise which commenced during 2012 and will conclude shortly. This involves applicants being asked to complete and return a more comprehensive questionnaire on housing need than we have used previously.

- 2.3 A reduced number of applications also arises from the successful work of the homelessness prevention team, which encourages people to consider other housing options.
- 2.4 Information about the supply, demand and turnover of social rented housing (known as '[Prospects](#)' information) is now routinely provided in all housing application packs alongside basic information about wider housing options.
- 2.5 Further work to develop the housing options approach beyond potentially homeless households is planned for 2013/2014.
- 2.6 The geographic pattern of demand is consistent with previous years. Inverness continues to demonstrate very high housing demand: 41% (3,673) of HHR applicants have applied for Inverness. However only 27% (515) of houses were let in Inverness in the last year.
- 2.7 By contrast, 6% (569) of HHR applicants have applied for Caithness which provided 23% of all properties let (430). There were almost 100 more lets in Caithness 2012/2013 compared to the previous year with turnover patterns reaching 40% in Wick. Discussion is taking place amongst landlords with housing stock in Caithness to consider what alternative approaches might be used to address relative low demand / high turnover.
- 2.8 The proportion of applications from different household types and age groups is the same as last year. Considered together, single and couple households with no children make up 60% of the housing register (5,324 households). These applicants are eligible for one-bedroom properties. However only 33% of properties available to let in 2012/2013 were one bedroom units (622 properties). In order to respond to this mismatch we continue to offer 2 bedroom properties to single/couple households.
- 2.9 As predicted we have seen an increase in transfer list demand from single/couple tenants seeking 1 bedroom properties in response to the "bedroom tax". This type of growth in transfer demand is anticipated to continue.
- 2.10 These factors have implications for housing investment planning, for the future approach to delivering the allocation of social rented housing, and for the business case for a wider housing options approach to meeting housing need.

### **3 Supply**

- 3.1 The number of houses let to applicants in 2012/2013 increased by 171 units from last year to **1,894** properties. This included the allocation of 205 new build properties, of which 137 were housing association properties and 68 new build council housing. Altogether 10% of all new build properties were one- bedroom units and 73% two- bedroom units.

- 3.2 As noted above 60% of demand is for 1 bedroom sized properties, with 33% turnover in this size. Almost half (46%) of turnover (863 units) was of 2 bedroom properties, of which over a third (346 units) were allocated to single/couple households.
- 3.3 While overall there is capacity in 2 bedroom turnover to compensate for 1 bedroom demand, this is complicated by a number of factors including: the geographic mismatch of supply to demand; and the growth in demand arising from the introduction of the social size criteria and wider welfare reforms.

## **4 Assessing Housing Need**

- 4.1 The HHR policy sets out a range of categories of housing need based on legal and regulatory guidelines. Applicants' circumstances are assessed with reference to these categories and they are awarded relevant priority points depending on their specific circumstances.
- 4.2 Data for 2012/2013 shows that a third of HHR applicants (3,201) are adequately housed in terms of the defined categories set out in the current policy. This information helps to identify and group applicants who would benefit from enhanced housing advice, and information about other housing options.
- 4.3 Of the remaining two thirds of the register almost 1 in 3 (2,073 households) are living in the private rented sector, while just under a fifth (1,559 households) are living with parents or relatives. A further 383 households are staying with friends or in lodgings. In addition, the number of households occupying temporary accommodation has dropped significantly to 551 households at the year-end.
- 4.4 A more detailed paper on the numbers of applicants with different types of housing need and the outcomes for these groups under current policy is available on the members' bulletin. In general the policy is working well and achieving the intended outcomes. There are a few areas where policy changes may be considered appropriate. These are set out below.

## **5 Consideration of policy changes**

### **5.1 Housing Options**

- 5.1.1 Over the next year further work will take place to develop the housing options approach. This approach is based on the assumption that many people can have their housing needs met by either:
- helping them remain in their current accommodation, by making it more suitable for their needs or addressing other issues; or
  - helping them to access other tenures, such as affordable low cost home ownership or the private rented sector, where this would meet their housing needs and preferences.

- 5.1.2 This will require a review of some current priority categories within the housing allocations policy, most notably points awarded to tenants in the private rented sector. The aim would be to ensure that housing needs points are targeted at people who genuinely lack security of tenure, or are living in poor housing conditions.
- 5.1.3 It is recommended that further work takes place with Highland Housing Register partners and other stakeholders on policy options and implications and that a further report is presented to Committee in mid-2014.

## 5.2 Downsizing Scheme

- 5.2.1 The Council introduced a financial incentive scheme in November 2010 for applicants wishing to move from a property that was too large for them to a smaller property. The Finance, Housing and Resources Committee in January 2013 agreed that the Council should be more selective in the use of the policy as the people who were currently using it were likely to be “competing” for offers of housing with transfer applicants affected by the ‘bedroom tax’. However, Members were keen to retain the policy at that time.
- 5.2.2 Since the scheme was first introduced there have been 148 payments, totalling £175,153.97 (average payment £1,183.47). In many cases payments were to an existing transfer applicant who wanted to and would probably have moved anyway without a financial incentive. If Members wish to retain the scheme then it is recommended that the following more selective eligibility criteria should apply:
- 5.2.3 Payments should be available for:
1. Pensioners who have been tenants for more than 10 years and who need to move to meet their future housing needs or in other exceptional cases
  2. Where there is a genuine and urgent need for the property being vacated; for example:
    - Where there is an applicant on the Housing Register with high Accessible Housing points whose housing need would be met by moving to the larger/adapted property, or
    - Where there is an applicant for the larger property on the Housing Register with extreme overcrowding points and need to reside.
  3. In other exceptional cases, with the approval of the relevant Housing and Property Manager.

## 6 National Policy Context

- 6.1 As previously reported the Scottish Government consulted on a range of proposed policy changes to social housing early in 2012. Following this consultation the following proposals around social housing allocations are to be included in a forthcoming Housing Bill:

- Replace the groups social landlords must give reasonable preference to in the allocation of their housing with an overarching definition. Under this definition, social landlords will have to determine which groups they will prioritise. Scottish Ministers will be able to determine groups which all social landlords must include in their policy. Social landlords will have to publish a statement setting out the rationale for their priority groups and who they consulted.
- Allow social landlords to consider property the applicant or their household owns or has owned (unless it would be unreasonable for them to occupy the property).
- Allow social landlords to take account of an applicant's age in the allocation of housing (within existing equalities legislation).
- Allow social landlords, in specified circumstances, to set a minimum period before an applicant is eligible for housing. Scottish Ministers will determine the maximum period or periods that social landlords could make an applicant ineligible for the allocation of housing.
- Introduce a new right for tenants to appeal a social landlord's decision to make them ineligible for the allocation of housing.
- It now appears unlikely that social landlords will be allowed to take into account income in assessing priority for housing.

6.2 New legislation and associated guidance is expected through the course of 2014. The next annual HHR policy review will take account of these developments and any policy proposals will reflect the subsequent legal framework.

## 7 Implications

7.1 **Resource:** Council and Housing Association property available for allocation is a scarce resource in many communities. The allocations policy is designed to ensure that priority is given to applicants in the greatest housing need when housing is available. Allocation policy review and associated system changes are managed within the HRA budget, with a financial contribution from Housing Register partners.

7.2 **Legal:** The Council's current allocations policy is considered to comply with current legal and regulatory requirements. There are no proposals contained in this report that would affect compliance. The policy will have to be reviewed against any new legal powers and duties arising from proposed changes to legislation in 2014.

7.3 The allocation of properties of suitable size helps to address **Climate Change/Carbon Clever** objectives.

7.4 There are no additional **risk** implications.

7.5 There are general **equalities** duties for delivery of allocations policies which require that applicants are treated fairly and consistently. Monitoring of the operation of the policy indicates that it is achieving these outcomes.

## **8. Recommendations**

8.1 Committee is asked to:

8.1.1 Note the annual monitoring report on Highland Housing Register contained in **Appendix 1**.

8.1.2 Agree the following eligibility criteria for “downsizing payments”:

1. Pensioners who have been tenants for more than 10 years and who need to move to meet their future housing needs or in other exceptional cases, and;
2. Where there is a genuine and urgent need for the property being vacated; for example:
  - Where there is an applicant on the Housing Register with high Accessible Housing points whose housing need would be met by moving to the larger/adapted property, or
  - Where there is an applicant for the larger property on the Housing Register with extreme overcrowding points and need to reside.
3. In other exceptional cases, with the approval of the Housing and Property Managers

8.1.3 Agree that further work takes place with Highland Housing Register partners and other stakeholders on policy options and implications arising from a housing options approach and that a further report is presented to Committee in 2014.

8.1.4 Agree that a further report be presented on any policy changes to be considered following confirmation of new legal powers and duties arising from proposed changes to legislation in 2014

Designation: Depute Chief Executive/Director of Housing and Property

Date: 19 August 2013

Author: Lyn Kilpatrick, Housing Policy Officer

## Highland Housing Register

### Allocations Monitoring Report 2012/2013

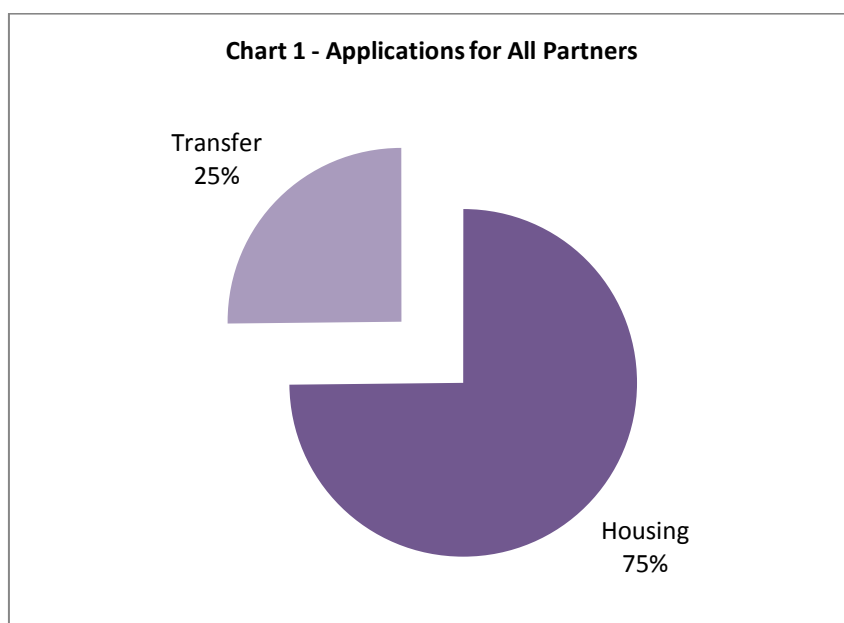
#### 1. Introduction

- 1.1 The Highland Housing Register Allocations Policy sets out details for annual performance monitoring.
- 1.2 This report relates to the period 1 April 2012 – 31 March 2013. It contains monitoring information and commentary summarising how the housing allocations policy has operated over the last year.
- 1.3 The figures are for all the Highland Housing Register Partners and not just the Highland Council.

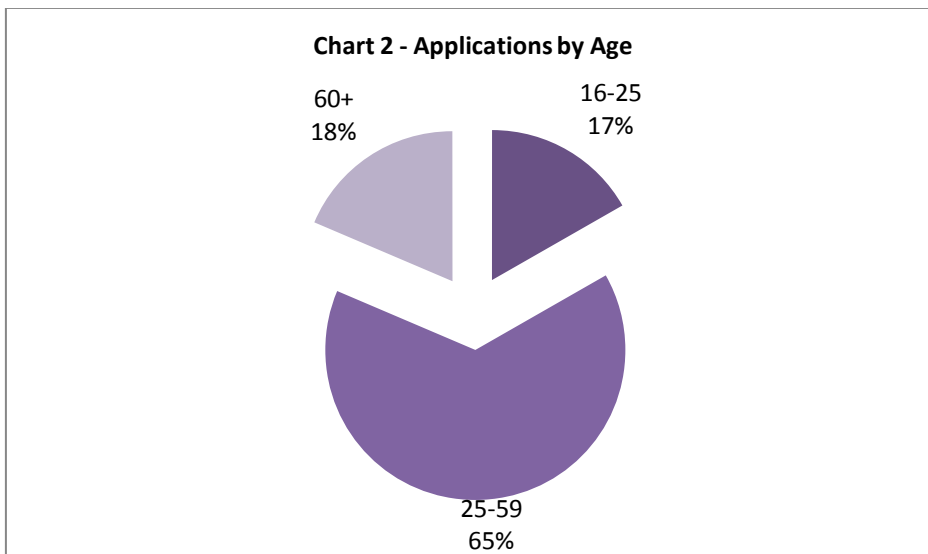
#### 2. Monitoring Information

##### 2.1 Applications

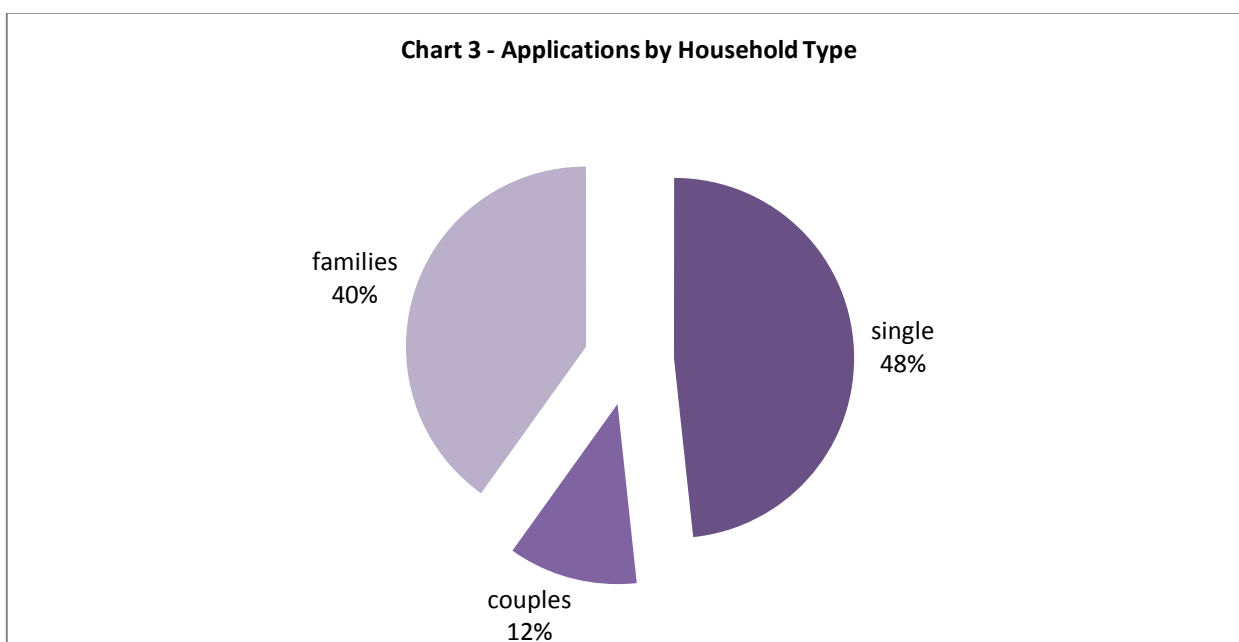
- 2.1.1 There were a total of 9,083 applications at 31 March 2013, compared to 10,109 at 31 March 2012, a reduction of 1,026.
- 2.1.2 Chart 1 shows the percentage of all Highland Housing Register applications broken down by those seeking a social rented tenancy from an HHR partner (Housing List: 7,798 applicants) and those from existing tenants seeking to transfer to another property: (Transfer List: 2,285 applicants). The proportions last year were 7,723 (76%) Housing List and 2,386 (24%) Transfer List.



2.1.3 Chart 2 shows the total number of applicants broken down by age group. It shows that the largest group are 26 – 59 year olds (65%); then 16 – 25 years olds (17%); and those aged over 60 (18%). As an indicator of the needs of an aging population, 463 applicants (5%) are aged 75 or over, compared to 466 last year. The relative proportions are unchanged from last year.



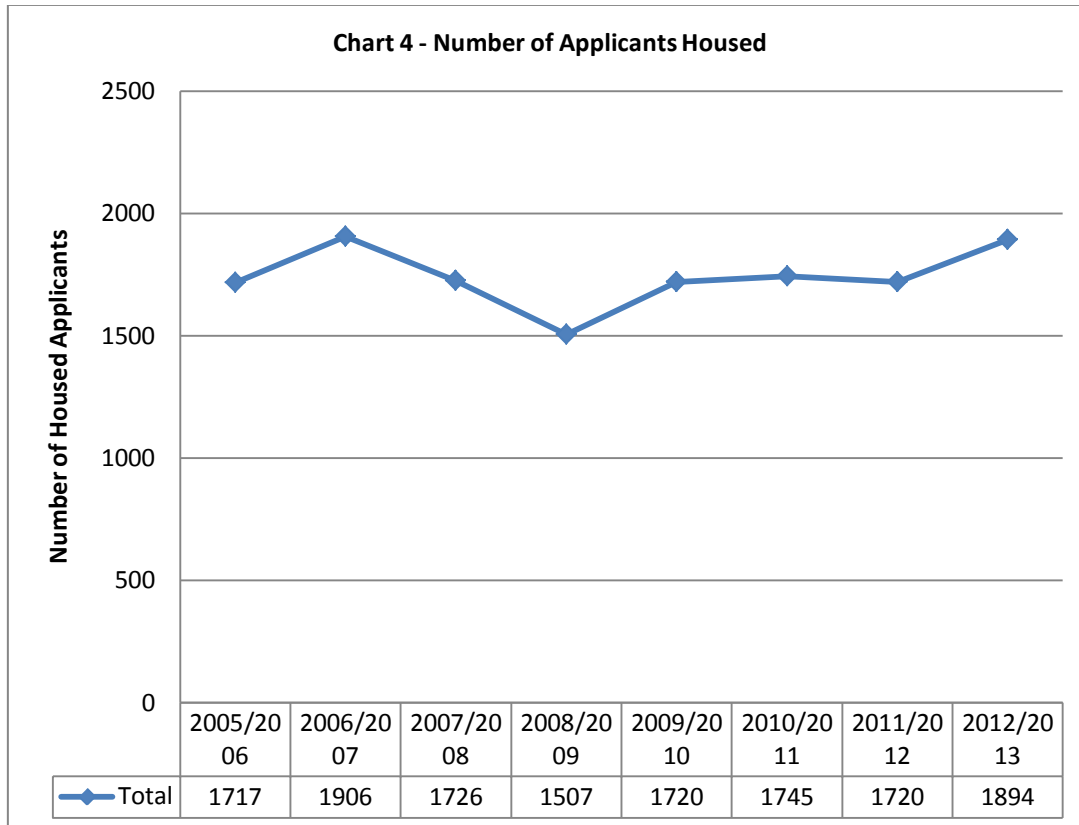
2.1.4 Chart 3 shows the number of applications by household type. It shows that the largest group is single applicants (48%) ; with applications from couples at 12% and applications from families at 40%. The relative proportions are broadly similar to those reported last year.





## 2.2 Allocations

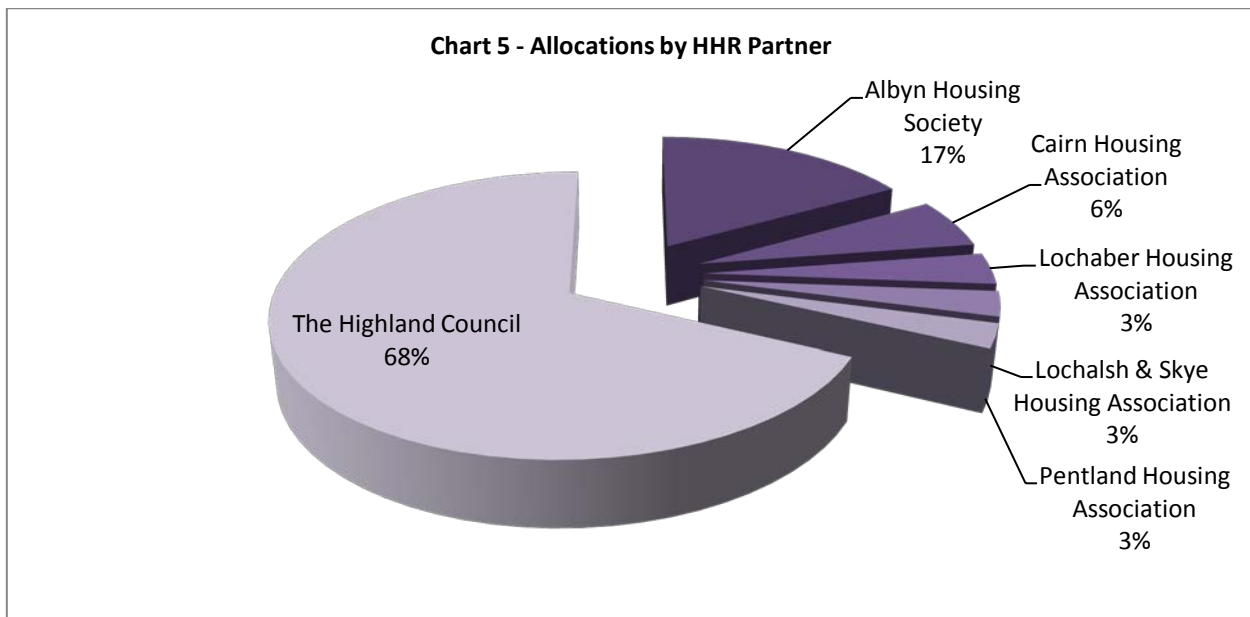
2.2.1 Chart 4 shows that 1,894 applicants were housed in 2012/13, and shows the trend in applicants housed over time. It shows there has been an increase in the numbers housed in the last year.



2.2.2 Of the 1,894 applicants housed last year 1,397 (74%) were from the Housing List and 497 (26%) were from the Transfer List. Altogether HHR partners housed around 21% of the total waiting list. Allocations to Highland Council houses accounted for 1,289 (68%) of applicants housed and those to Housing Association houses 605 (32%).

2.2.3 Of the 1,894 lets made last year 205 (10.8%) were to new build houses. Most of these new build houses were let by housing associations (137) rather than the Council (68). This represents a reduction in housing association new build lets and an increase in council new build in the last year.

2.2.4 Chart 5 shows the breakdown of the total numbers housed by individual HHR Partners. There were 174 more allocations made overall by HHR Partners compared to last year. Two Partners housed more applicants this year: Lochaber Housing Association with 6 more and The Highland Council with 208 more. The remaining Partners housed fewer people this year; Albyn Housing Society 13 less, Cairn Housing Association 6 less, Lochalsh & Skye Housing Association 16 less and Pentland Housing Association with 5 less.



## 2.3 Allocations – Ethnic Origins for Applicants & Housed Applicants

2.3.1 This section of the HHR application form is not compulsory therefore the figures reported are not fully representative of all applicants.

2.3.2 Chart 6 shows that the largest group of those who completed the form describe themselves as Scottish: 5,656 (81%) applicants and 970 (82%) housed applicants. British and Other White applicants are the next largest groups. Other ethnic minority groups account for a very much lower proportion of the overall housing register, however there is evidence that these groups are receiving housing outcomes through the policy.

**Chart 6 – Applicants by Ethnic Origin**

| Ethnic Origin   | Applications | Housed Applicants |
|-----------------|--------------|-------------------|
| AFRICAN         | 9            | -                 |
| ASIAN           | 8            | 1                 |
| BANGLADESHI     | 8            | -                 |
| BLACK           | 1            | 1                 |
| BRITISH         | 840          | 147               |
| CARIBBEAN       | 3            | 1                 |
| CHINESE         | 3            | -                 |
| GYPSY/TRAVELLER | 1            | -                 |
| INDIAN          | 11           | 3                 |
| IRISH           | 27           | 3                 |
| MIXED           | 12           | 1                 |
| WHITE OTHER     | 414          | 69                |
| OTHER ETHNIC    | 12           | 2                 |
| PAKISTANI       | 2            | 1                 |
| POLISH          | 13           | 9                 |
| SCOTTISH        | 5656         | 970               |
| <b>TOTAL</b>    | <b>7020</b>  | <b>1208</b>       |

2.3.3 These trends are broadly similar to last year. The figures indicate that the policy is generally neutral in terms of outcomes for different ethnic groups.

## 2.4 Allocations – Letting Zones

2.4.1 Chart 7 shows the number of houses in each letting area; the number of applicants where the letting area is one of their choices for housing; and the number and percentage of applicants housed last year in each area.

**Chart 7: Housing supply and demand per letting area**

| Letting Zone          | Housing Stock | Total Demand | Total Housed | % Housed   |
|-----------------------|---------------|--------------|--------------|------------|
| West Caithness        | 1438          | 326          | 206          | 63%        |
| East Caithness        | 1456          | 253          | 224          | 89%        |
| North West Sutherland | 244           | 56           | 36           | 64%        |
| East Sutherland       | 870           | 270          | 84           | 31%        |
| Tain                  | 772           | 264          | 55           | 21%        |
| Alness/Invergordon    | 1975          | 568          | 159          | 28%        |
| Mid Ross              | 1314          | 642          | 133          | 21%        |
| Black Isle            | 424           | 275          | 38           | 14%        |
| Ullapool              | 173           | 108          | 10           | 9%         |
| Gairloch              | 129           | 51           | 8            | 16%        |
| Lochcarron            | 103           | 63           | 13           | 21%        |
| North Skye            | 599           | 211          | 65           | 31%        |
| South Skye            | 244           | 115          | 21           | 18%        |
| Lochalsh              | 240           | 112          | 21           | 19%        |
| West Lochaber         | 175           | 87           | 21           | 24%        |
| North East Lochaber   | 90            | 39           | 3            | 8%         |
| Peninsula             | 135           | 51           | 19           | 37%        |
| South Lochaber        | 295           | 136          | 36           | 26%        |
| Central Lochaber      | 1244          | 625          | 110          | 18%        |
| Ardersier             | 941           | 737          | 44           | 6%         |
| Beauly                | 252           | 159          | 28           | 18%        |
| Loch Ness             | 198           | 120          | 18           | 15%        |
| Tomatin               | 26            | 35           | 3            | 9%         |
| Inverness City        | 4291          | 2465         | 422          | 17%        |
| Aviemore              | 454           | 336          | 30           | 9%         |
| Kingussie             | 170           | 92           | 20           | 22%        |
| Grantown              | 232           | 125          | 13           | 10%        |
| Nairn                 | 802           | 423          | 47           | 11%        |
| Nairn Rural           | 93            | 50           | 7            | 14%        |
| <b>TOTAL</b>          | <b>19379</b>  | <b>8794</b>  | <b>1894</b>  | <b>22%</b> |

2.4.2 This gives an overall view of relative housing supply / demand and pressure. It shows that in most areas of Highland demand for housing far exceeds supply. A low percentage of people housed in comparison to the number of people seeking housing in an area is

an indicator of housing pressure. The table shows a number of areas where these percentages are extremely low.

## 2.5 Homeless Demand

2.5.1 Chart 8 shows the proportion of houses let in each area to applicants with homeless priority.

**Chart 8 – Outcomes for homeless applicants by letting area**

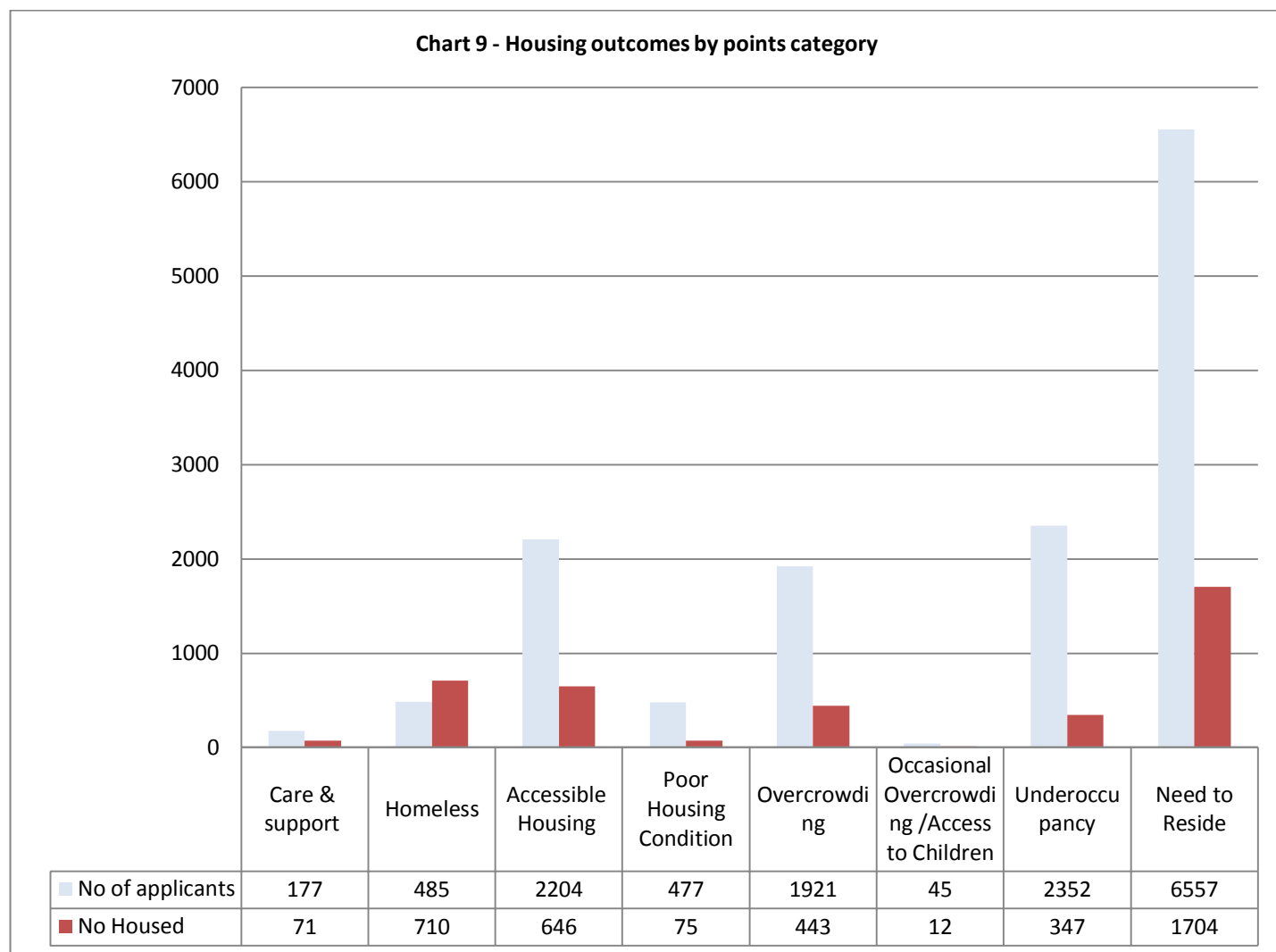
| Letting Zone          | Total Demand | Total Housed | Total Homeless Housed | % of lets to homeless households |
|-----------------------|--------------|--------------|-----------------------|----------------------------------|
| West Caithness        | 326          | 206          | 15                    | 7%                               |
| East Caithness        | 253          | 224          | 19                    | 8%                               |
| North West Sutherland | 56           | 36           | 0                     | 0%                               |
| East Sutherland       | 270          | 84           | 15                    | 18%                              |
| Tain                  | 264          | 55           | 32                    | 58%                              |
| Alness/Invergordon    | 568          | 159          | 82                    | 52%                              |
| Mid Ross              | 642          | 133          | 73                    | 55%                              |
| Black Isle            | 275          | 38           | 13                    | 34%                              |
| Ullapool              | 108          | 10           | 5                     | 50%                              |
| Gairloch              | 51           | 8            | 0                     | 0%                               |
| Lochcarron            | 63           | 13           | 0                     | 0%                               |
| North Skye            | 211          | 65           | 29                    | 45%                              |
| South Skye            | 115          | 21           | 12                    | 57%                              |
| Lochalsh              | 112          | 21           | 11                    | 52%                              |
| West Lochaber         | 87           | 21           | 4                     | 19%                              |
| North East Lochaber   | 39           | 3            | 1                     | 33%                              |
| Peninsula             | 51           | 19           | 2                     | 11%                              |
| South Lochaber        | 136          | 36           | 3                     | 8%                               |
| Central Lochaber      | 625          | 110          | 48                    | 44%                              |
| Ardersier             | 737          | 44           | 22                    | 50%                              |
| Beauly                | 159          | 28           | 12                    | 43%                              |
| Loch Ness             | 120          | 18           | 4                     | 22%                              |
| Tomatin               | 35           | 3            | 1                     | 33%                              |
| Inverness City        | 2465         | 422          | 251                   | 59%                              |
| Aviemore              | 336          | 30           | 17                    | 57%                              |
| Kingussie             | 92           | 20           | 6                     | 30%                              |
| Grantown              | 125          | 13           | 7                     | 54%                              |
| Nairn                 | 423          | 47           | 25                    | 53%                              |
| Nairn Rural           | 50           | 7            | 1                     | 14%                              |
| <b>TOTAL</b>          | <b>8794</b>  | <b>1894</b>  | <b>710</b>            | <b>37%</b>                       |

2.5.2 The proportion of homeless applicants housed has reduced from 47% last year to 37% in 2012/13. This reflects the success of changes to homelessness policy and the work of the Homelessness Prevention Team. Nevertheless there are still considerable numbers of homeless applicants to whom the Council has a legal duty to offer permanent accommodation. The proportions of lets to homeless households tends to reflect the

general pattern of housing pressure, with a higher proportion of lets to homeless people in areas of greatest housing pressure.

## 2.6 Allocations – Points Category

2.6.1 Chart 9 shows the percentage of applicants who have been awarded points under each of the housing need categories contained in the Allocations Policy compared to the percentage of applicants housed with these categories of points.



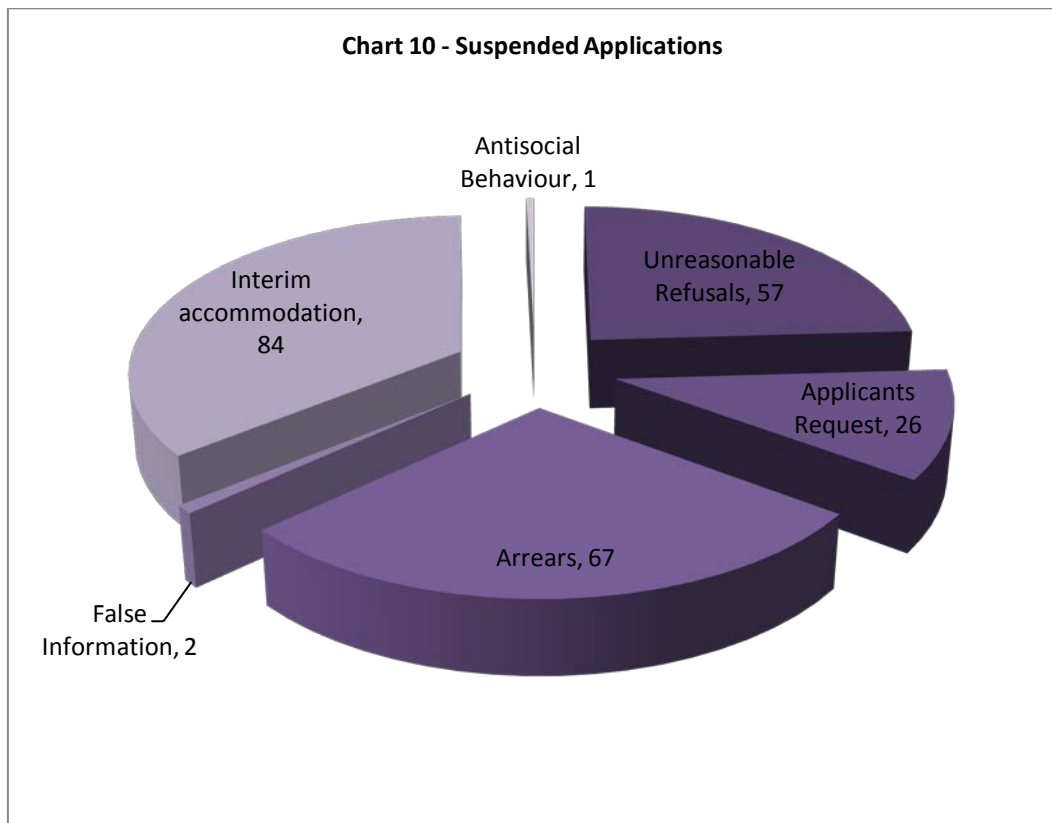
2.6.2 This graph shows that applicants with a “need to reside” in a particular letting area: who are homeless; have an accessible Housing need; or are overcrowded / or underoccupying are more likely to be housed. With the exception of “need to reside” these are considered to be the most acute forms of housing need.

## 2.7 Suspended Applications

2.7.1 Chart 10 shows the number of applications that were suspended at 31 March 2013, and the reason for suspension. The total number of applicants suspended accounts for 2.6% of all applicants. Most suspensions result from people being in interim accommodation: 84 (35%). Following changes to homelessness policy we are using interim accommodation with support more frequently. In these cases applications for mainstream

housing may be suspended for the period of the interim accommodation, or until the applicant is assessed as being ready to manage a full tenancy.

### Chart 10 – Suspended Applications



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Date: 1 July 2013