

The Highland Council
Caithness and Sutherland Area Committee
23 September 2014

Agenda Item	17
Report No	CS/ 36/14

Housing Allocations Policy: Special Letting Plan

Report by the Director of Community Services

Summary

This report provides information on the supply and demand for social rented housing in Caithness and the issues involved in the allocation of housing in the area. The report outlines proposals for a special letting plan that would operate within the Highland Housing Register allocations policy in order to reduce reletting times.

1. Background

- 1.1 The Community Services Committee considered an annual monitoring report on the Highland Housing Register Allocations policy on 21 August 2014. It was agreed that a special letting plan be developed for Caithness, and that this should be considered in more detail by the Caithness and Sutherland Area Committee.
- 1.2 This report provides some more detailed information on supply and demand for Council and Housing Association property locally and recommendations for a special letting plan to reduce turnover and empty homes.
- 1.3 Housing applications and allocations policy in Highland are managed through the Highland Housing Register, which is a common housing register involving the Council and the main Highland Housing Associations. In Caithness the partners are: Highland Council, Pentland Housing Association, Albyn Housing Society and Cairn Housing Association.

2 Current information on housing demand

- 2.1 Previous reports to the Area Committee on housing performance will have illustrated the issue of reletting times within Caithness as a whole. The table below illustrates the average reletting times for the Caithness and Sutherland Wards for the last year and 1st quarter of 2014/15.

Ward	Average reletting time(days)	
	2013/14	2014/15 (quarter 1)
North West Sutherland	28.3	33.1
Thurso	41.9	42.9
Wick	54.6	116.1

Landward Caithness	42.9	81.2
East Sutherland and Edderton	20.9	18.9
Highland	37.6	46.4

- 2.2 For the purposes of housing allocations Caithness is split into 2 areas each containing a number of communities / letting areas. These are set out below:

East Caithness		West Caithness	
Ackergill	Milton	Barrock	Mey
Auchengill	Lyth	Bower	Murkle
Canisbay	Occumster	Castletown	Reay
Clyth	Papigoe	Dunnet	Scarfskerry
Dunbeath	Reiss	Durran	Scrabster
Haster	Staxigoe	Forss	Shebster
John O'Groats	Thrumster	Geise	Spittal
Keiss	Ulbster	Gillock	Thurso
Latheron	Watten	Glengolly	Westfield
Latheronwheel	Wick	Halkirk	Weydale
Lybster	Wick-Pulteney	Janetstown	

- 2.3 Most housing stock and turnover occurs in Thurso and Wick, as illustrated in the table below:

Area	Stock	Demand	New lets
Thurso	1,107	186	138
Other (West Caithness)	321	39	37
Wick	1,111	118	160
Other (East Caithness)	333	35	41
Total Caithness	2,872	378	376
Total Highland	13,743	7,851	1,900

- 2.4 The table above shows that the demand for housing in Caithness is at or around the level of houses let annually. This compares to a ratio of around 1 let for every 4 people on the housing register across Highland as a whole. This illustrates relatively low levels of demand within Caithness, with a particular issue in Wick where there are actually more new lets per year than housing applicants requesting a house in the area.
- 2.5 The housing register contains 2 categories of applicant: those who are not currently tenants and those who are applying for a transfer from another social rented house. Overall 74% of people on the register are not current tenants and 26% are tenants seeking a transfer to another house. In Caithness the proportions are 53% who are not current tenants and 47% who are tenants seeking a transfer. This illustrates that a high proportion of demand for housing comes from existing tenants rather than people in housing need who are not currently tenants.

- 2.6 The number of offers of housing being refused is also an indicator of demand. The table below shows the rate of refusals across the landlords with housing in the area for Thurso and Wick only.

Landlord	No. Housed	Offers Made	Offers Refused
Pentland Housing Association - Thurso	31	74	19 (26%)
Pentland Housing Association - Wick	11	25	8 (32%)
Highland Council – Thurso	86	250	141(56%)
Highland Council - Wick	121	287	156 (54%)
Albyn Housing Society - Thurso	12	12	0(0%)
Albyn Housing Society - Wick	12	14	0(0%)
Cairn Housing Association - Thurso	9	26	13 (50%)
Cairn Housing Association - Wick	16	24	5 (21%)
Total	298	712	342 (48%)

- 2.7 The averages above relate to all refusals, and in many cases the same property can be refused more than once. When offers of housing are refused applicants have the option of providing a reason for refusal. Overall around half of people refusing offers gave a reason. Of these 43% related to the immediate area of the property and 28% were because the applicant did not want to move at present.
- 2.8 In order to get a better understanding of this trend, during June 2014 we carried out a telephone survey on those who refused an offer of housing in Caithness to find out whether there were recurring themes and whether we could do anything different as a landlord.
- 2.9 We surveyed 88 people and 53 responded. The survey results are summarised in **Appendix 1**. The survey showed that most refusals were due to the location or type of property. There were relatively few refusals for issues that could be addressed, such as the condition of the property. We also asked people to say why they considered that the location of the property offered was unsuitable. The main reason for this was that they considered it to be in an “unsuitable area”. This suggests that there are fairly well defined local perceptions about “good” and “bad” offers of housing, and the high turnover of properties means that there is a good chance that a further offer of housing might be in a “better” location. This does suggest the need for some longer term action to tackle “reputational” perceptions within some communities / locations.

3 Previous Initiatives

- 3.1 The issue of relatively low demand for housing in Caithness is not new. Some Highland Housing Register partners have previously tried other options to try and address this. Initiatives include:
- Advertising in local papers and shops
 - Increasing the standard of properties through extensive decoration
 - Offering part furnished “mid- market” rents

- Holding open days to view property
- 3.2 An officer group from Highland Housing Register partners has considered extending this type of initiative across all partners; however, the feeling of the group is that moving to a different system of allocations is required. It is therefore recommended that a “choice based” approach is adopted, initially in selected locations. A “choice based” approach is one that replaces the traditional model of offering vacant property to the person with the highest number of points for whom the property is suitable with one that allows people to express an interest in vacant properties, which are then let to the person with the greatest need for the property.
- 3.3 It is recommended that this approach is adopted in parts of Caithness, initially on a pilot basis. The key features of the pilot would be:
- The pilot would cover all relets in Wick, and relets of flats in Thurso.
 - Sheltered housing would be excluded.
 - An initial assessment would be carried out to establish if there was someone on the transfer list who needed the property, and transfers would be dealt with in the normal way.
 - For properties where there were no transfer applicants in housing need the approach would involve advertising low demand properties on a weekly basis in local partner offices and on the Council website.
 - People (excluding transfer applicants) who were interested in a particular empty property would register their interest and then the person with the highest priority and / or earliest date of application would be made the offer.
- 3.4 The possible benefits of changing how we allocate in Caithness are:
- Reduced reletting times;
 - Reduced void rent loss;
 - Increased occupancy rates;
 - Potentially increased tenancy sustainment as people would be making personal choices in selecting properties;
 - Reduced staff time issuing offers of housing.
- 3.5 The outcome of the special letting plan against these objectives will be monitored and reported. The outcome of monitoring will determine whether to continue, extend or amend the approach.
- 3.6 In addition the Highland Housing Register partnership has recently agreed to join the Ministry of Defence Referral Scheme which is designed to help Service leavers and their families into Social Housing following their discharge from the Armed Forces. It would be possible to accept referrals from the scheme for available housing in Caithness.

4. Other Issues

- 4.1 Housing demand tends to track wider economic activity. In the long term the issue of low demand housing would be addressed by increased in-migration linked to a strong local economy and housing market. The Council is currently beginning work on a detailed housing need and demand assessment to inform its next Local Housing Strategy. It will be important to ensure this is linked to the local development plan and wider area regeneration initiatives.
- 4.2 There is already evidence of an upturn in the need for short term workers accommodation for contractors working in the renewables sector. It would be possible to work with employers to utilise low demand housing as key worker accommodation.

5. Implications

- 5.1 **Resources:** Increasing occupancy and reducing reletting times will have a positive impact on rent income to the Housing Revenue Account, and improve the sustainability of communities.
- 5.2 **Legal:** Special letting plans are possible within the current legal and regulatory framework for housing if properly designed and managed to ensure best use of the housing stock, and where reasonable preference is given to the groups of applicants identified in legislation.
- 5.3 **Equalities:** An equalities impact assessment will be carried out prior to final implementation of the plan.
- 5.4 There are no known climate change/carbon clever; risk, Gaelic or rural implications arising from this report.

Recommendation

The Committee is invited to:

- (i) Consider the proposals for a special letting plan for selected areas in Caithness and other initiatives to reduce empty homes; and
- (ii) Note that proposals will have to be agreed with the governing bodies of Highland Housing Register Partners prior to implementation.

Designation: **Director of Community Services**

Date: 5 September 2014

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APPENDIX 1

Charts detailing the results of the refusal survey carried out in June 2014

