

FALKIRK COUNCIL

Subject: HOUSING ALLOCATIONS OUTCOMES FOR 2011
Meeting: HOUSING AND SOCIAL CARE COMMITTEE
Date: 28 August 2012
Author: DIRECTOR OF CORPORATE AND NEIGHBOURHOOD SERVICES

1. INTRODUCTION

- 1.1 The purpose of this report is to provide Members with an update on housing allocations outcomes during 2011.
- 1.2 The report also summarises feedback from the Allocations Consultation Panel which was set up to review a number of recommendations with regard to policy issues that were identified from last year's Outcome Report, the Annual Homelessness Statement and various reports to Housing and Social Care Committee.
- 1.3 The report makes a number of recommendations with regard to these issues to ensure that the allocations policy continues to prioritise evidenced housing needs, including those of homeless people, and that best use is made of the Council's housing stock.

2. CONTEXT

- 2.1 This report is presented to Members in the context of a changing legislative and regulatory environment. Members will be aware that the Scottish Housing Charter became effective from 1 April 2012. The Scottish Housing Regulator will be using the Charter Indicators as a key part of their regulatory framework. In terms of the allocation policy, the following indicators are directly related:

- People looking for housing get information that helps them make informed choices and decisions about the range of housing options available to them

- Tenants and people on housing lists can review their housing options

- People looking for housing find it easy to apply for the widest choice of social housing available and get the information they need on how the landlord allocates homes and their prospects of being rehoused

Any proposed changes to the allocations policy must take into account the future outcomes of these indicators. We will therefore be required to carry out further consultation with our tenants and service users to develop our service standards.

- 2.2 The Welfare Reform legislation which is being incrementally introduced is anticipated to have an impact on the Allocations Policy from March 2013 when the new housing benefit changes are introduced. The implications of this will be wide reaching and are subject to corporate review. It is however expected that the following factors will need to be taken into consideration in relation to the allocations policy,;

- *Single Persons & Couples:* Within the allocations policy single applicants and couples are eligible for properties with 1 or 2 bedrooms. However, under Welfare Reform single applicants and couples (of working age) that are in receipt of Housing Benefit will only be eligible for 100% benefit for a 1 bedroom property. Approximately 40% of all applicants are single or a couple with no children and 73 % of Home Seekers are single or couples with no children but only 16% of our stock is 1 bedroom.
- *Overcrowding Priority:* Currently overcrowding priority is awarded for children over 8 years old sharing a bedroom with another person. However, under Welfare Reform the age threshold is 10 years. Families (in receipt of Housing Benefit) with children under the age of 10 who have a bedroom of their own may be classed as under occupying and could be charged 14% of the rent, as 100% benefit will not be payable.
- *Under Occupation:* Tenants (of working age) who under occupy a property by 1 bedroom will have a 14% Housing Benefit deduction and tenants (of working age) who under occupy a property by 2 bedrooms will lose 25% of their Housing Benefit.

2.3 With the introduction of Universal Credit in October 2013, housing benefit will no longer be a direct payment at source. Tenants will be responsible for ensuring that they pay their rent from their benefit payment. The above changes are likely to impact adversely on rent arrears, unless proactively addressed. Therefore, to negate as far as possible the impact of the Welfare Reform changes and to assist tenants from getting into arrears, all our policies require to be reviewed to ensure they reflect the changes once further details are confirmed.

2.4 The Scottish Government recently carried out a consultation on Affordable Rented Housing which considered increasing flexibility in deciding who should be prioritised for our properties and also using more flexibility within our processes to address anti social behaviour. At this stage there is no indication of when this will result in a change in legislation, but it is important to bear these in mind in any future allocation policy reviews. Falkirk Council's response to this consultation has been made available to Members.

3. HOUSING ALLOCATIONS OUTCOMES DURING 2011

3.1 Detailed information about the current housing list and allocations outcomes during 2011 is set out in Appendix I.

3.2 In summary of a total stock of 16,302, 1,230 properties were let last year. There are 9,578 applicants on the waiting list. As with previous years, the demand for our houses far outweighs the supply.

The key points to note are set out below.

Current Waiting list

	Home seeker	Home mover	Home starter	Housing with care	Total
Band 1	770	523	223	0	1,516
Band 2	259	456	740	0	1,455
Band 3	0	397	3,686	0	4,083
Band 4	0	1,081	1,285	0	2,366
Housing with care	0	0	0	158	158
TOTAL	1,029	2,457	5,934	158	9,578
%	10.70%	25.65%	62%	1.65%	

Table 1 – housing list

- 3.3 As noted in table 1 above, at January 2012 there were 9,578 applicants on the waiting list, which included 158 applicants for Housing with Care. The number of applicants on the housing list has increased since January 2011 by 763 applicants, an increase of 7.8%. In total, 25% of applicants on the housing list have no “statutory reasonable preference” housing need. 44% of Home Movers and 22% of Home Starters have no housing need.
- 3.4 The majority of new applicants are Home Starters who now comprise 62% of the waiting list, compared to 55% last year. The number of Home Seeker applicants reduced to approximately 11% of the waiting list, compared to 17% in January 2011.
- 3.5 The proportion of applicants with Band 1 priority for housing has decreased slightly from 21% to 16%. As with previous years, the majority of applicants with Band 1 priority are Home Seekers who represent 51% of all Band 1 applicants.
- 3.6 The proportion of Home Starter applicants with Band 1 has increased from 10% in January 2011 to 15% in January 2012, however this is directly related to applicants found to be threatened with homelessness being awarded Band 1 Home Starter priority (as approved at Committee on 31 August 2010). A total of 64 applicants have been rehoused during 2011 under this priority group. Whilst this has been successful and helped in the prevention of homelessness, it is proposed that all applications where we have a statutory duty under the homeless legislation are grouped as Home Seekers. This will assist with the monitoring and management to reduce the waiting time for homeless applicants. The Housing Options system has now been successfully embedded within our procedures to meet the objective of preventing homelessness

Void Sequencing

- 3.7 During 2011, 999 general needs properties were advertised through HomeSpot in accordance with the agreed sequencing schedule which aims to advertise 50% of properties for Home Seekers; 25% for Home Movers; 25% for Home Starters. A further 178 properties were advertised for “All Groups”.

- 3.8 Details of the sequencing of properties in each allocation area and by house type are set out in Appendix 1, Section 4. As can be seen from the report 50% of properties were sequenced for Home Seekers, 28% for Home Movers and 22% for Home Starters.
- 3.9 The increased percentage of properties advertised for Home Movers is in the main due to the introduction of the “Transfer Led” local lettings initiative agreed by the Council to promote turnover of properties available for let, thereby increasing permanent outcomes for more applicants on the housing list. This means that general needs new build properties are exclusively advertised for Home Movers.
- 3.10 The outcome of the properties advertised are detailed in Appendix 1 para 6.1 and the percentages align more closely with the agreed quotas.

Bidding Activity

- 3.11 As mentioned above, 1,177 properties were advertised during 2011 with approximately 25 properties being advertised each week. During 2011 around 53% of all applicants have been actively bidding. This is encouraging, however, information in relation to how to bid will be sent directly to applicants during the re-registration process to ensure that all applicants are kept informed in relation to on-line bids and the assistance available to them.
- 3.12 During 2011, over 99,000 bids have been made by applicants which is an average of 84 bids per property. Around 1,850 bids were received each week.
- 3.13 Home Seeker applicants placed a total of 31,275 bids in 2011 but only 13,740 of these bids were for properties that were advertised for Home Seekers. Accordingly, only 44% of the bids placed by Home Seekers were for properties advertised for their applicant group.
- 3.14 On average, 560 Home Seeker applicants bid for properties each week. This is of concern and indicates a significant number of Home Seeker applicants are not bidding regularly. As the Council has a statutory duty to provide permanent accommodation to homeless applicants, bids from Home Seekers are monitored and those applicants who are not actively seeking housing are asked to attend Housing Options interviews to remind them of the requirement to actively engage in the bidding process. However, if they subsequently do not bid, they are offered a direct match property as per the current Allocations Policy. All Home Seekers are offered two properties, either through actively bidding or direct matches before the Council discharges their duty to re-house and removes the applicant’s priority status.
- 3.15 Although this approach is being taken, there has been limited success in encouraging Home Seekers to make reasonable attempts at securing accommodation. On average Home Seekers are only making around 10 bids per year on properties advertised for their group. Further details on the impact of this have been detailed in the Annual Homelessness Statement which is subject to a separate report to this Committee.

- 3.16 In order to improve outcomes for discharging our duty to homeless people, it is proposed that all applicants are restricted to bid for properties in their own group and if there are no bids from the targeted group, the properties are then used for direct matching to Home Seekers who are not actively bidding.
- 3.17 In addition, it is proposed that where a Home Seeker is not actively seeking accommodation and is referred for a direct match, only one offer of accommodation should be made before their priority status is removed. This proposal will enable the Council to discharge its statutory duty under the terms of the homeless legislation whereby we are only required to make one reasonable offer of housing.
- 3.18 It should be noted that this will not affect Home Seeker applicants who are actively bidding as they will continue to be eligible for 2 offers in line with all other applicant groups as part of the Allocation Policy. This would be monitored on an ongoing basis and prior to introduction an equalities impact assessment would be carried out
- 3.19 Home Mover applicants placed a total of 15,250 bids but only 28% of these bids were for properties advertised for Home Movers. The proposal noted above would also deal with this issue. More information about bidding activity is provided in Appendix 1 Section 5.
- 3.20 In terms of equalities, applicants actively bidding for the advertised properties are represented in proportions similar to the make up of the housing list in terms of gender, ethnicity, religion and sexual orientation. In terms of age, a higher proportion of younger applicants relative to the proportion of younger applicants on the housing list are actively bidding. However, as would be expected, a higher proportion of younger applicants have urgent housing needs compared to the proportion of older applicants with urgent housing needs.
- 3.21 A smaller proportion of older applicants are bidding compared to the proportion of older applicants on the housing list, however this may be due to the fact that Housing with Care Levels 1 & 2 is directly matched rather than advertised. A slightly smaller proportion of applicants with physical disabilities, other disabilities and sensory impairment are actively bidding compared to the proportion of such applicants on the housing list. A further analysis of this will be carried out.

Properties Let

- 3.22 A total of 1,230 properties were let across the Council during 2011. This differs from the figure for properties advertised as some of the lets would be properties that were advertised at the end of 2010 where the tenancy did not start until early 2011. Also, properties that were advertised at the end of 2011 will be included in the lets for 2012 as the tenancy will not have started until some time after January 2012.
- 3.23 Appendix 1 Section 3 provides details of the lets per month, the location of these lets and the size of the properties let for the 999 general needs properties that were advertised during 2011. In summary:

- 1,230 properties were let during 2011
 - The allocations area with the highest number of lets was Grangemouth with almost 17 % of properties let;
 - The allocations area with the lowest number of lets was Falkirk Central with just 6% of properties let;
 - 51% of properties let were tenement or maisonette flats;
 - 56% of properties let had 2 bedrooms;
 - Less than 2% of properties let had 4 or more bedrooms.
 - 88% of properties were accepted on 1st or 2nd offer
- 3.24 Performance has continued to improve during 2011 with the average time to re-let properties reducing from 43 days in January 2011 to 22 days in January 2012. Customer satisfaction with the condition of the property when let remains high at 91%.

Applicants Housed

- 3.25 Section 6 of Appendix 1 provides information on the applicants who have been housed during 2011.
- 43% of lets were to Home Seekers
 - 26% of lets were to Home Movers
 - 25% of lets were to Home Starters
 - 6% of lets were made to applicants needing Housing with Care.
 - 68% of lets have been to applicants with Band 1 priority ,
 - The majority of applicants are rehoused in the area they are already living in
- 3.26 These outcomes indicate that the new arrangements are effective in terms of meeting housing needs across all applicant groups and routinely allocating properties to applicants within the statutory reasonable preference groups.
- 3.27 In summary, a number of positive outcomes are evident:
- allocations are routinely made to applicants with the statutory “reasonable preference” housing needs where they are bidding for properties;
 - the targets for allocation to each applicant group have broadly been met with the exception of Home Seekers;
 - the rates for acceptance of properties and timescales for re-letting properties have improved;
 - the equalities profile of applicants bidding and being housed is broadly similar to the equalities profile of all housing applicants;

4. ALLOCATIONS CONSULTATION PANEL

- 4.1 The Council has a legal obligation under the Housing (Scotland) Act 2001 to consult both tenants groups and individual tenants over policy matters likely to significantly affect them. The related statutory guidance states that “*Where a proposal impacts on all tenants, for example changes to the landlord’s allocations policy, it would be expected that all tenants should be consulted. It would be for the landlord, however, in line with the tenant participation strategy, to decide*

whether such consultation should take the form of public meetings, [etc]....landlords must ensure that there are arrangements in place and that these are well publicised, to allow all tenants who wish to make their views known the opportunity to do so” (SEDD Circular 7/2002).

- 4.2 The Scottish Social Housing Charter requires the Council to manage its business so that “tenants and other customers find it easy to participate in and influence their landlord’s decisions at a level they feel comfortable”, with the definition of “other customers” including applicants, homeless people, factored owners and gypsy / travellers.
- 4.3 To assist meeting our statutory obligation to consult on policy issues, the Allocations Consultation Panel was set up in December 2011 following a report to Housing & Social Care Committee in March 2011. It was set up to ensure that views of service users and other stakeholders can be gathered regularly and be taken account of when making changes to the Allocation Policy. Appendix 2 is an evaluation report detailing the outcomes of the Allocations Consultation Panel.
- 4.4 The panel currently has 36 members and comprises both housing applicants and non-applicants. In terms of equalities, the Panel contains members with physical and mental health disabilities but it does lack younger members. On average, 8 people attended each session. Homeless applicants did attend the initial information sessions however their attendance has not continued. In order to address this, a focus group was held with some young homeless applicants to gather their views on the proposals. The benefit of the Panel has been to enable complex policy issues to be considered and explained in detail.
- 4.5 Various reports to Committee have identified possible changes to the Allocation Policy. These issues have been debated by the Panel and their findings have been recorded as noted below:

Local Connection Priority

- 4.6 At the November 2010 meeting of this Committee Members requested further consultation on the proposal to introduce a Local Connection Priority to ensure that local people get priority to stay in their local area. The Allocations Outcomes Report in Appendix 1 provides information about where an applicant lived and where they were rehoused. The results show that the majority of applicants are housed in the area that they already live in or a nearby area.

Panel View: Based on this information, the general consensus was that there was no need to amend the policy as local people were being rehoused in their area

Proposal: No further action required

Incentives to reduce Under Occupation

- 4.7 At the meeting of this Committee in March 2011 Members requested further information in relation to incentives to reduce under occupation. An analysis of the allocations outcomes has shown that there are a large number of families living in overcrowded situation waiting for larger homes to become available; whilst at the same time there are tenants occupying family sized homes larger than they need.

- 4.8 The 2009 Falkirk Council Area All Tenure House Condition Survey estimated that 46% of Council tenants were under-occupying by 1 bedroom (6,800) and 14% (2,000) were under-occupying by 2 or more bedrooms.
- 4.9 In order to free up some of these houses for let to larger families, consideration has been given to introducing an incentive scheme to encourage tenants to move by providing support and financial assistance, as it is recognised this can be an overwhelming change for some people – particularly older tenants. This type of scheme has been introduced by a number of other Local Authorities and has worked successfully. The Welfare Reform changes may also encourage more tenants to move if they are to be penalised for under occupying their tenancy.

Panel View: There was wide support for this type of incentive and the view was that it should be a scheme that provided financial assistance as well as practical help.

Proposal: It is proposed that a pilot scheme be introduced for a period of 12 months. An initial budget of £250,000 has been identified for the pilot. The operation of the scheme will be kept under review, particularly in relation to uptake, tenant feedback and Welfare Reform impacts. Evaluation of the scheme will be reported back to Members for consideration. The proposed scheme is attached at Appendix 3 for Members information and approval.

Award Band 1 priority for three or more children sharing a room

- 4.10 Members requested further consultation on the proposal to Award Band 1 priority for three or more children sharing a room. There are a small number of applicants on the housing list (28) that have three children under the age of 8 years old sharing one bedroom. Under the current policy, these applicants are only entitled to Band 2 priority. However, this will increase to Band 1 priority when two of the children have reached the age of 8.

Panel View: The majority view was in favour of this proposal, however, significant caveats were added about e.g. the age/sex of children. The Panel felt that applicants with teenagers sharing a bedroom (particularly mixed sex) should continue to have higher priority than applicants with young children sharing.

Proposal: Given the potential implications of Welfare Reform, it is not proposed to change the household size criteria until the new Housing Benefit rules are clarified.

Reduce the length of time homeless households wait to be rehoused

- 4.11 The Annual Homelessness Statement has highlighted that homeless presentations have gone down by 57% (513) per year over the last two years which is very positive.
- 4.12 While there has also been a considerable reduction in the number of applicants with homeless priority that were housed within 6 – 12 months of being awarded their priority, there is still a considerable number (54%) of households that were awarded homelessness priority more than 12 months ago waiting to be permanently housed. This figure highlights that we need to take corrective action to ensure that as a Council we meet our statutory obligation and improve performance. At this Committee in May 2011, and in response to feedback from the Scottish Housing Regulator in their inspection report,

Members requested that further consultation be carried out to consider the options available to the Council.

Panel View: 6 options were considered, including increasing the quota of properties available to Home Seekers, increasing the number of direct matches to Home Seekers that are not bidding and allowing applicants to bid only for properties that are advertised for their applicant group. The Panel members were in favour of restricting bids to applicant group and increasing the number of direct matches to Home Seekers (however, the young homeless applicants that were consulted were all opposed to these proposals). In addition, all supported looking at other courses of action to reduce the length of time applicants are homeless, such as increasing the availability of stock by building new properties and using the private rented sector.

Proposal: Given the information about bidding activity detailed in this report, it is recommended that applicants are only able to bid for properties that are advertised for the applicant group that they are in.

- 4.13 In addition, in order to address the backlog of applicants with homeless priority for more than 12 months, it is proposed that applicants who are not actively bidding should receive one offer of a directly matched property and if this is refused their priority is removed and the Council thereafter discharges its duty to rehouse.

Local Lettings Initiative for High Rise Flats

- 4.14 At the meeting of Housing and Social Care Committee in November 2011, Members requested further information in relation to this incentive which links to the under occupation incentive, whereby it was proposed to give more priority to applicants who wish to move to the high rise flats and subsequently free up larger council houses. A modelling exercise was completed to ascertain the impact of this initiative. The results showed that there would be very limited effect due to the low numbers involved as noted in Appendix 2.

Panel View: The reaction to this proposal was mixed. The main concern was the limited impact due to the low numbers and the added complexity of using criteria other than band of priority and date of award of priority to let these properties.

Proposal: It is proposed that no further action be taken.

New Build Local Lettings Initiative

- 4.15 At their most recent inspection, the Scottish Housing Regulator identified the lack of consultation over Local Lettings Initiatives for New Build Council Housing. Therefore, it was agreed that evidence of the outcomes would be presented to the Panel to seek their views. During 2011, new build properties made up 4% of lets. As general needs properties are advertised for Home Movers, the impact of this was to increase the turnover of stock which created rehousing opportunities for other applicants.

Panel View: The majority of Panel members agreed with this proposal as they could see the benefit of the “chain reaction” to increase turnover within the housing stock. However, the views of the young homeless applicants were more mixed.

Proposal: No change to the current policy.

- 4.16 To build upon the success of the Panel, it is proposed that the Panel is mainstreamed into the Tenants & Residents Forum which meets quarterly. This would allow us to consult more widely on specific proposals to change the allocations policy with a wider range of stakeholders. This would give a more balance of quantitative and qualitative approaches. Further work will also be carried out in relation to attracting younger members. In addition, the Service will continue to use the Council website, tenant's newsletters and Citizen's panel to consult on issues.

5. CONCLUSIONS

- 5.1 Section 3 has detailed a number of positive outcomes that have been achieved during 2011. They have been effective in making better use of the Council's housing stock, giving priority to those in greatest housing need and improving choice for applicants. The targets for allocations to all the groups have broadly been met although fewer allocations have been made to Home Seekers than anticipated. The new build letting policy has also resulted in Home Movers receiving a slightly higher number of lets than target.
- 5.2 There are new legislative and regulatory changes proposed which will impact upon the Allocation Policy. Therefore any future proposed changes to the Allocation Policy must take account of these issues. The Scottish Housing Charter will require us to be more accountable to our tenants and involve them in setting our service standards. Although it is too early to predict, the Welfare Reform changes are likely to impact significantly on the allocations policy.
- 5.3 The Allocations Consultation Panel has been positively evaluated by attendees and has considered various policy issues in detail enabling recommendations to be made to Committee. Based on the consultative feedback, allocations outcomes and impending legislative and regulatory changes, recommendations are proposed that will ensure we make the best use of our stock and meet our statutory obligations to homeless applicants.

6. RECOMMENDATIONS

It is recommended that Committee:

- 6.1 Note the Housing Allocations Outcome report;
- 6.2 Note the proposed legislative and regulatory changes that are likely to impact upon the Allocation Policy and that further updates will be provided to Committee as required;
- 6.3 Note the feedback from Allocations Consultation Panel;
- 6.4 Agree to the proposed Tenant Incentive Scheme for Under Occupation as detailed at Appendix 3 for a 12 month pilot period, effective from April 2013 with an initial budget of £250,000 and an evaluation of the scheme reported back to Members;
- 6.5 Agree to the proposals detailed in paragraph 4.8 to reduce the time homeless applicants are waiting to be rehoused for a 12 month period, then further reviewing the outcomes;
- 6.6 Refer this report to Policy & Resources Committee for approval.

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DIRECTOR OF CORPORATE & NEIGHBOURHOOD SERVICES

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Appendix 1 Allocations Outcomes 2011
Appendix 2 Allocations Consultation Panel Report – June 2012
Appendix 3 Tenants Incentive Scheme

BACKGROUND INFORMATION

1. Housing & Social Care Committee Reports: November 2010; March 2011; November 2011
2. Scottish Housing Regulator – Inspection Report October 2011

Anyone wishing to inspect the background papers listed above should contact Jennifer Litts, Head of Housing Services, extn 0789