

**FALKIRK COUNCIL**

**SUBJECT: HOUSING ALLOCATIONS**

**MEETING: HOUSING AND SOCIAL SERVICES COMMITTEE**

**DATE: 3 DECEMBER 2007**

**AUTHOR: DIRECTOR OF HOUSING AND SOCIAL WORK SERVICES**

**1.0 INTRODUCTION**

The purpose of this report is to update Members on the work undertaken with regard to reviewing the housing allocations policy since the last meeting of the Policy & Resources Committee on 4 September 2007. The report will set out recommendations for interim changes to address issues of immediate concern.

**2.0 BACKGROUND**

Members are aware that the current allocations framework was established 25 years ago and there is now a need to review the framework to ensure that:

- it complies with current good practice and legal requirements
- it is responsive to the needs of individuals and communities
- it is open, transparent and customer focused
- it is supported by comprehensive processes and systems

**2.1 An Allocations Review Group has been established to:**

- examine in detail the current policy
- review best practice and guidance in relation to housing allocations
- consult with relevant stakeholders
- take account of local housing needs and affordability issues

To date, the work of the Allocations Review Group has focused on examining in detail the current policy with regard to the requirements set out above. The findings of the Group are discussed below together with recommendations relating to a number of the policy areas. These recommendations are proposed as interim measures aimed at improving the existing framework whilst further work continues over the next six months to review best practice and guidance in relation to allocations, consider local housing needs and affordability issues and carry out detailed consultation with relevant stakeholders to assess different approaches to letting houses. Once this work has been concluded, specific proposals for a comprehensive review of the Allocations framework will be presented to Members.

### **3.0 THE CURRENT ALLOCATIONS POLICY**

#### **3.1 Compliance with Current Good Practice and Legal Requirements**

The Allocations Review Group is concerned that the current policy framework does not ensure that allocations are made to applicants within the main need based categories. Section 20(1) of the Housing (S) Act 1987 as amended by the Housing (S) Act 2001 sets out that the authority in allocating its housing stock, must give reasonable preference to the following housing needs groups:

*a) to persons who*

- *are occupying houses which do not meet the tolerable standard; or*
- *are occupying overcrowded houses; or*
- *have large families; or*
- *are living under unsatisfactory housing conditions (including applicants with high medical priority)*

*b) to homeless persons and persons threatened with homelessness.*

Benchmarking across other local authorities indicates that, in Falkirk, the level of allocations to homeless households is low. The allocations framework permits applicants with little or no need to be made offers of housing ahead of applicants with need due to the award of waiting time and retained tenancy points. Landlords are not prevented from giving points for the length of time an applicant has been on the list or the time spent in a particular house, provided such points are available to anyone on the list. However, applicants with homeless or move-on points are not currently awarded waiting time points or retained tenancy points.

Some applicants who are homeless choose to apply as waiting list applicants as they gain more points, have a wider choice over their house type and location and are likely to be permanently housed more quickly than being assessed as homeless and in priority need. Also applicants assessed as homeless and in priority need receive fewer offers than other applicants. This is contrary to the Code of Guidance on Homelessness.

#### **3.2 Responsiveness to the needs of individuals and communities**

Currently there are 12,539 applicants on the Council's housing waiting list and 4911 (39%) of these applicants have some element of housing need. Analysis of allocations over the last four years indicates that a very high proportion of allocations are made to applicants with housing needs and that this proportion has been increasing each year from 88% of allocations in 2003-2004 to 92% of allocations in 2006-2007.

A further 4943 applicants (39%) of applicants on the waiting list have no statutory housing need and are seeking to meet possible future housing needs or meet housing aspirations. All applicants are awarded waiting time points for every year spent on the list, with the exception of applicants awarded move-on and homeless priority as the Allocations Policy aims to house these applicants quickly. 12% of applicants have voluntarily suspended their housing application and during the period of voluntary suspension, these applicants continue to accrue waiting time points.

Despite the fact that the percentage of allocations to homeless applicants increased from 26% of all allocations in 2003-2004 to 37% in 2006-2007, analysis shows that the average time taken to house applicants assessed as homeless has increased significantly over the same period. In 2003-04, the average time taken to house a homeless applicant in permanent accommodation was 43 days and this rose to an average of 90 days in 2006-07. Factors impacting on the time taken to house homeless applicants have been identified as follows:

- The number of homeless presentations and the number of applicants determined as homeless and in priority need has increased significantly. In 2003-2004, the number of homeless presentations was 1633 and the number of applicants determined to be homeless and in priority need was 746. By 2006-07, the number of homeless presentations rose to 1955 with 1032 applicants determined to be homeless and in priority need. Members will be aware of the national target that by 2012, every homeless person in Scotland will have a right to permanent accommodation.
- Since April 2005, applicants with homeless priority can be made two offers of housing with homeless points. Since April 2005, over one third of first offers of housing to homeless applicants have been refused.
- The relative weightings of points categories within the Allocations system is detrimental to homeless applicants. As discussed at 3.1 above, some applicants who are homeless choose to apply as waiting list applicants as they will gain more points, have a wider choice over their house type and location and are likely to be permanently housed more quickly than being assessed as homeless and in priority need.

The increase in the time taken to house homeless applicants is exacerbating pressures on temporary accommodation which the Council has a statutory obligation to provide for all homeless applicants who need it. As a result, the number of placements in Bed & Breakfast accommodation is high and above the level of budget provision available. As the Code of Guidance on Homelessness stresses that local authorities should explore all alternatives to B & B accommodation and use it only as a last resort, an additional 38 properties across the Council's stock have been identified for use as temporary accommodation. Work is also on-going with local RSLs to identify properties for this purpose from their stock. Increasing the stock of temporary accommodation is an interim measure to address the current pressures and proposals for meeting the needs of homeless people in the context of the 2012 target will be set out in a Homelessness Strategy which will be brought for Members' consideration in early 2008.

### **3.3 Openness, Transparency and Customer Focus**

Feedback from a sample of service users surveyed in August 2007 indicates that the majority of housing applicants are satisfied with our housing application and related information about the allocations process. However the survey highlights that the majority of applicants do not understand the points system, generally do not perceive the points system as fair and are not satisfied that they are kept informed about progress with their application and prospects of getting a house. The majority of respondents to the survey felt that they should be able to choose a house in a system where available houses are advertised rather than being offered one. These are issues which require to be considered in developing a revised allocations framework and the on-going consultation with Members regarding the information provided to permit local scrutiny and strategic overview of allocations will contribute to ensuring the openness and transparency of the allocations process.

### 3.4 **Comprehensive Systems & Processes**

The Allocations Review Working Group has also identified a number of areas where review and clarification of the policy and our operating procedures is required. For example, across local offices there is a lack of consistency in the application of some allocations procedures. There are limited mechanisms in place to ensure the validation of applicant details or the quality and consistency of allocations decisions. In addition, anomalies within the IT database supporting the allocations process have been identified. Work to review operating procedures is currently in progress and issues which require a decision by Members are set out below.

## 4.0 **PROPOSALS FOR INTERIM CHANGES TO THE EXISTING ALLOCATIONS POLICY**

In order to immediately address the weaknesses and issues identified by the Allocations Review Group as well as alleviate the pressures on temporary accommodation, it is recommended that a number of amendments be made to the existing allocations policy. It is emphasised that these are interim measures to improve existing arrangements pending the outcome of a comprehensive review and evaluation of alternative allocation framework options in full consultation with service users and all relevant stakeholders. The interim measures proposed are set out below:

### 4.1 **Restricting Allocations to “Reasonable Preference” applicants**

For a six month period, restrict the allocation of available stock to only applicants to whom the authority must give reasonable preference. These groups are set out in Section 3.1 above. The six month period should start as from 1 January 2008 and the position will be reviewed at the end of this period when a further report will be presented to Members.

During this 6 month period, two thirds of properties will be allocated to applicants with homeless or move-on points, with the remaining third of allocations being made to applicants with other statutory needs i.e. those with lacking amenity points, overcrowding points, children in flats points, high medical points (Category A+ and A priorities) and cases where social or management points have been awarded.

Applicants with high medical priority will be considered first for any allocations to properties which are adapted or suitable for adaptation to meet their needs. All other properties, other than those adapted for special needs or particular age groups, will be assigned for allocation to homeless or other reasonable preference applicants in the proportions of 2:1 at the point of recording on the void management system. This will ensure that applicants across the range of reasonable preference categories have access to all house types and locations across the Council's stock.

Where a property has been assigned for a group for which there is no appropriate applicant, the property will be re-assigned for the other group. Where there is no suitable applicant from either group or where properties are refused more than 5 times by applicants in the reasonable preference categories, the properties will be offered to other applicants according to their points on the waiting list.

## **4.2 The Number of Offers of Housing**

As noted above, homeless applicants are not given the same number of offers of housing as other applicants. Homeless applicants can have 2 offers with homeless priority points while other applicants can have 5 offers before their application is suspended for 12 months. It has already been noted above that increasing the number of offers to homeless applicants from 1 to 2 offers has impacted on the time taken to house homeless applicants. It would be counter-productive to increase the number of offers to homeless applicants in line with other applicants – rather the number of offers to other applicants should be reduced to 2 offers to ensure parity across all applicant types. Benchmarking across other local authorities indicates that many other authorities make a maximum of 2 offers to housing applicants. It is therefore recommended that the number of offers made to all applicants be reduced to 2 offers.

## **4.3 Applicants with Large Families**

In response to a number of cases raised by Members, detailed analysis of applicants with overcrowding points has been carried out. This has identified that there are a small number of applicants with large families where the degree of overcrowding experienced is not being adequately reflected by the overcrowding points which have been awarded. The reason for this is related to the way the allocations IT database links Applicant File records to Property File records to produce waiting lists. Within the database, it is not possible to overcome the problem by increasing the level of bedroom deficiency points as applicants affected would then not be included on waiting lists for properties which improved their circumstances but did not meet all of their needs. Within the current IT framework, it is possible to add additional points using the social points category to reflect the actual degree of overcrowding without impacting on the waiting lists on which the applicants appear. It is therefore recommended that Members approve the award of social points in such cases to ensure that the applicants in the most overcrowded circumstances are given appropriate priority on the waiting list.

## **4.4 Changes to Top 5 Areas**

The introduction of Area Preference points in 2005 has proved successful in helping applicants into housing in the areas where they want to live. However, the practice of allowing applicants to amend their choices of top 5 areas once every six months is restrictive and does not meet customer needs and choices. It is recommended that applicants be able to amend their choice of Top 5 areas on their housing application at any time.

## **5.0 CONCLUSION**

The Allocations Review Group has completed the first stage of the review of the allocations framework. This involved considering in detail the current policy in terms of compliance with current good practice and legal requirements, responsiveness to individuals and communities, transparency and customer focus and systems and processes. As a result, a number of operational procedures and processes are being reviewed and Members are being asked to consider a number of recommendations for interim changes to the current policy. If approved, all applicants and other stakeholders will be advised of these changes. The aim of these amendments and reviews is to improve the existing framework whilst the Allocations Review Group continues with the next stage of the comprehensive review of the allocations framework. This will entail consideration and appraisal of different options for letting houses in full consultation with service users and other stakeholders.

## 6.0 RECOMMENDATIONS

Members are asked to note the work of the Allocations Review Group to date and the management decision to temporarily increase by 38 properties, the Council's stock of temporary accommodation for homeless applicants.


6.1 Members are also asked to agree the following recommendations for interim changes to the allocations policy framework and refer these for approval to Falkirk Council:

1. From 1 Jan 2008 for a period of six months or until a revised allocations framework is implemented, allocations be made only to applicants in "reasonable preference" groups as set out in Section 4.1
2. The number of offers made to all applicants be reduced to 2 offers
3. Social points be awarded to large families to reflect appropriately the degree of overcrowding experienced
4. Applicants be able to change their Top 5 areas at any time

6.2 Members are also asked to note that work will now focus on a comprehensive review and evaluation of alternative allocation framework options and will include:

- reviewing best practice and guidance in relation to housing allocations
- consulting with relevant stakeholders
- taking account of local housing needs and affordability issues

and once this work is concluded, specific proposals for a revised allocations framework will be presented to Members.



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