

FALKIRK COUNCIL

**Subject: LOCAL HOUSING STRATEGY UPDATE 2013
HOMELESSNESS & ALLOCATION OUTCOMES**
Meeting: EXECUTIVE
Date: 18 March 2014
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1. INTRODUCTION

- 1.1 This report provides an update on Homelessness and Allocation outcomes during 2013. The Local Housing Strategy (LHS) is the sole strategic document on housing, homelessness and support. Therefore, this report forms part of the Local Housing Strategy 2011-16 Update report also submitted to the Executive for consideration.
- 1.2 The LHS sets out a Vision (Homes for Now, Homes for the Future). The vision is underpinned by 6 outcomes as follows:
- Best use is made of the existing and new affordable housing stock to address local needs;
 - Advice and information is provided on a range of affordable housing options in order to prevent homelessness;
 - People with disabilities are able to adapt their homes or have information they need to make appropriate housing choices;
 - Housing Support and other services are provided to help people live independently;
 - The condition and sustainability of housing is improved and measures put in place to address fuel poverty;
 - All rented housing is managed effectively and efficiently

2. BACKGROUND & CONTEXT

- 2.1 This report is presented to members in the context of a changing legislative and regulatory environment. The Council has a statutory duty to deal with homelessness in its area as outlined in Part II of the Housing (Scotland) Act 1987, as amended by the Housing (Scotland) Act 2001 and the Homelessness etc (Scotland) Act 2003. The Council also has a statutory duty to allocate its houses as outlined in the Housing (Scotland) Act 1987, as amended by the Housing (Scotland) Act 2001.
- 2.2 As members will be aware at Housing & Social Care Committee on 26 August 2012, members agreed to discontinue the application of the priority need test within Falkirk Council from 1 October 2012 prior to it being abolished on 31 December 2012. At that time, only 10% of applicants were found not to be in priority need, therefore the impact of removing the priority need test has been minimal. In addition, homeless applications have continued to drop in 2012/13 which is attributed to the prevention measures we have introduced including Housing Options.

- 2.3 The Housing Support Duty regulations were introduced on 1 July 2013 through Section 32B of the Housing (Scotland) Act 2010. Local authorities now have a statutory duty to assess the housing support needs of homeless applicants who are unintentionally homeless or threatened with homelessness and ensure that housing support services are provided to those assessed as being in need of them.
- 2.4 The Council also has a statutory and regulatory duty to consult with tenants groups, tenants and service users under the Housing (Scotland) Act 2001 and the Scottish Social Housing Charter.
- 2.5 Social size criteria (bedroom tax) introduced as part of the Government's welfare reform changes became effective in April 2013 resulting in housing benefit deductions of 14% or 25% where tenants are under occupying their home. This has increased demand for smaller properties. However, across the Council area, the shortage of one bedroom properties has resulted in limited housing choices for applicants who are affected by the Size Criteria.
- 2.6 Members will also be aware that the Scottish Housing Charter became effective from 1 April 2012 (Section 31 of the Housing (Scotland) Act 2010) and the Council will be required to submit its Annual Return on the Charter in May 2014. The Scottish Housing Regulator will be using the Charter Indicators as a key part of their regulatory framework. We have been developing our performance management systems over the last 12 months to ensure that they are in line with the Charter Indicators.
- 2.7 In 2011, the Scottish Government established 5 regional hubs to promote housing options. Falkirk Council is part of the East Hub including Edinburgh, West Lothian, East Lothian, Midlothian and Borders Councils. During 2013, the hub has made significant progress which has included the purchase of an on-line housing options diagnostic tool which will improve the level of information available on housing options. Further developments are planned by the Hub for 2014 and this will further enhance the service improvements for Falkirk's Housing Options service.
- 2.8 In June 2013, the Scottish Housing Regulator announced that they would be undertaking a thematic inquiry into housing options and homeless prevention. The aim of the inquiry was to assess the performance of local authorities in developing and delivering housing options services across the country. Falkirk Council was one of six local authorities selected. The Regulator was on site in Falkirk during August 2013 and the collective findings from all the local authorities were to be reported in November 2013. The Scottish Housing Regulator advised us in February 2014 that the publication of the report has been delayed. Once the findings of the report are published, then Falkirk Council will undertake reviews of the housing options services we deliver as required.
- 2.9 On 21 November 2013 the Housing (Scotland) Bill was introduced and is currently being progressed through parliament. It is anticipated that the Bill will receive royal assent during 2014. Whilst the bill is still subject to change, there are proposals to make a number of tenancy and allocations changes which the Council will need to take cognisance of within our policies, once these provisions come into force.

3. KEY ISSUES – HOMELESS STATEMENT 2012/13

3.1 A number of key issues arise from the Annual Homeless Statement for 2012-13 and these are outlined below.

- 9% decrease in homeless presentations in 2012-13 in addition to the 48% decrease in 2011-12
- The majority of homeless applicants are single males (41.5%), followed by single parents (27.6%) and single females (19.6%) this has increased from previous years. In terms of age, the percentage of people aged 26-59 form the largest group (57%) followed by people under the age of 25 (40%), this has increased from previous years and seems to be a recurring trend.
- The major cause of homelessness, as in previous years, continues to be relationship breakdown and disputes within households (65.6%), both between partners and between young people and their families. Homelessness which is a result of financial difficulties amounts to only 4.5% of total applications in 2012-13. It is considered that this is likely to be the result of more effective assistance given to people who are at risk of losing their homes due to financial problems. This figure has increased slightly (0.3%) however homelessness prevention measures are becoming more embedded in the practices of the Council and its partner landlord organisations, and as banks and other mortgage lenders are required to do more to assist people who are experiencing difficulty in managing their housing costs.

3.2 The three key themes within the Homelessness Strategy 2008-13 were **Prevention, Accommodation & Support**. These themes continue to be incorporated within the 6 outcomes of the LHS. The table below details progress that has been made within 2013 in achieving all these outcomes within the homelessness service.

PREVENTATION	
LHS Outcome :	PROGRESS
<i>Advice & Information is provided on a range of affordable housing options in order to prevent homelessness</i>	<ul style="list-style-type: none">• Positive work is being done by the Welfare Benefits & Debt Advice Team in relation to applicants in debt and at risk of losing their home. The team will assist tenants apply for benefits and liaise with landlords including our own Neighbourhood Offices to help the tenant come to an arrangement to pay their arrears.• During 2012-13, the Council acquired 17 properties through the national Mortgage to Rent Scheme and our RSL partners acquired a further 28 properties; meaning that 45 households have been prevented from becoming homeless.• The introduction of Housing Options in 2011 has been the most significant positive step towards preventing homelessness. In 2013, we rolled this out to the Neighbourhood Offices. During 2014, we plan to develop and improve this service further.

ACCOMMODATION	
LHS Outcome :	PROGRESS
<i>Best use is made of the existing and new affordable housing to address local needs</i>	<ul style="list-style-type: none"> • The Private Sector Leasing programme has continued throughout 2013, and we currently have 70 properties which are used for temporary accommodation. So far, this has enabled us to return 53 mainstream properties back to the letting pool. We have a Temporary Accommodation Strategy in place to ensure that we continuously review our need for temporary accommodation and anticipate that more of our properties will be returned back to our letting pool. • The social size criteria regulations also apply to temporary accommodation properties owned by the local authority however it is not applicable to properties that the authority leases. Therefore, the current preferred option is that we continue to use our leased properties as temporary accommodation. However, this anomaly in the treatment of Local Authority supported temporary accommodation has been raised by all Scottish local authorities to the UK government. • We have further reduced the usage of Bed & Breakfast accommodation to a minimal. The budget spend reduced from £622,000 in 2011/12 to £66,000 in 2012/13. During 2013/14 this trend has continued with a budget spend of £10,000 as at December 2013. This equates to 823 people staying an average of 38 days in 2011/12; 234 people staying an average of 19 days in 2012/13; so far in 2013/14 only 6 people have stayed in B&B.
SUPPORT	
LHS OUTCOME :	PROGRESS
<i>Housing Support and other services are provided to help people live independently</i>	<ul style="list-style-type: none"> • In order to comply with our duty to meet the Housing Support regulations, we operate a comprehensive support needs assessment. It is our intention to further review and improve our procedures during 2014 to ensure it is robust and meets the needs of all homeless applicants. • In January 2013 our new housing support provider, YPeople, launched the Reach Out housing support service offering a comprehensive housing support service to those who are setting up home for the first time or struggling to maintain their tenancies. Since its launch we have received 374 referrals. • There is on-going progress with the review of the supported accommodation service and this will be concluded during 2014 to meet current and future needs.

4. KEY FINDINGS - HOUSING ALLOCATIONS OUTCOMES 2013

4.1 A summary of the key Housing Allocations Outcomes for 2013 are outlined below.

4.2 Housing Applicants @ 31 December 2013

There has been a slight increase in the number of HomeSpot applicants from 9,476 in 2012 to 10,365 in 2013. The main increase in applications during 2013 was due to the introduction of the Social Size Criteria on 1 April 2013.

The waiting list applicant groups break down as follows:

	2012	2013
Home Seekers	7%	3%
Home Movers	26%	26%
Home Starters	65%	69%
Housing with Care	2%	2%

4.3 Number of Properties Let

The Council let 1,515 properties during 2013 which is an increase from the previous year when 1,237 properties were let. This has resulted in a higher turnover of properties from 7.6% in 2011/12 to 10.2% in 2012/13. The national average in 2012/13 was 8.8%. Some of this is attributable to the local lettings initiative introduced in 2011 for general needs new build properties being let to existing tenants resulting in 2 vacancies per property.

Grangemouth had the highest number of lets with 266 properties, followed by Dawson with 206 properties (including 36 new builds). Falkirk Central had the lowest turnover of properties with 100 lets.

This is broken down per bedroom size as follows:

1 bedroom	24% (358 properties)
2 bedrooms	59% (887 properties)
3 bedrooms	17% (255 properties)
4 or more bedrooms	<1% (15 properties)

The demand for the number of 1 bedroom properties has increased with the introduction of the Social Size Criteria and due to the limited availability of 1 bedroom properties, the Council is unable to meet the current demand.

Similarly, the availability of larger properties continues to be limited and opportunities for larger families to move to more suitable accommodation is reduced. The Tenants Incentive Scheme was introduced in April 2013 to encourage our tenants who are currently under occupying large properties to downsize. During April - December 2013, 14 applications for the scheme were received.

As demand for Council stock far outstrips supply, the development of the Housing Options Service is essential as increasingly applicants will have to consider a range of housing options other than Council housing to meet their needs and aspirations.

Our choice based lettings system, where applicants choosing to bid for the properties they wish to live in rather than the traditional method of being matched to a property, means

that Falkirk Council is very efficient in re-letting its properties. 67% of properties are let on the 1st offer; and 87% are let by the 2nd offer. It is much more cost effective and efficient to re-let properties with the minimal number of lets. In 2012/13, properties in Falkirk were let on an average of 1.4 offers compared to the national average of 2.1 offers per let.

However, whilst the majority of properties are let after the 1st or 2nd offer and there is great demand for 3 bedroom houses, analysis has shown that 3 bedroom flats are much less popular and in some areas we have difficulty in letting these properties. We currently consider that properties which have had more than 3 refusals as being in low demand. During 2013, 101 properties were let following 3 refusals the majority of these properties (65%) were flats. As at the end of December 2013, we had 55 properties which despite being advertised more than 3 times were not let. All these properties are 3 bedroom tenement flats and are mainly located in low demand areas. We recognise that we need to be more innovative to address this issue and as part of the Allocations Policy Review we will consider a variety of options including reconfiguration. Further consultation will be carried out before this is progressed.

4.4 Sequencing of Properties

Properties which are let as mainstream allocations are sequenced by area, type and size. The automated process is complex but is designed to take account of the range of households within each group and aims to have an even distribution of properties across each group. The table below details the target for sequencing per group and the actual performance during 2013.

	<i>Target</i>	<i>Actual</i>
Home Seeker	50%	50%
Home Mover	25%	26%
Home Starter	25%	24%

The target for sequencing is generally on target apart from Home Movers which is slightly above target due to the new build policy of letting to Home Movers as outlined in para 4.3 above.

4.5 Applicants Rehoused during 2013

The outcome of all lets during 2013 including Housing with Care properties is as follows:

Home Seekers	35%
Home Movers	26%
Home Starters	33%
Housing with Care	6%

Lets to Home Movers are in line with the % of properties advertised for that group. Only 35% of lets in 2013 went to Home Seekers, despite 50% of the properties being advertised for that group. One of the reasons for this anomaly is the fact that some properties were sequenced for Home Seekers where there were no eligible applicants e.g. large properties when in the main our homeless applicants are small households. A third of lets were to Home Starters even though only 24% of properties were advertised for this group. Proportionally, Home Starters as the largest group are bidding more for the properties that are advertised for "All Groups". This is where the property had no eligible bids when initially advertised for the sequenced group and is then re-advertised

under the category “All Groups” which means that bids can now be accepted from Movers, Seekers and Starters. The properties are then let based on priority band to ensuring those with the highest housing need are re-housed.

4.6 Meeting Housing Need

As noted below, our properties are routinely being let to those applicants with highest priority which demonstrates that the current policy is effective in meeting housing need.

Band 1 -	57% of lets
Band 2 -	22%
Band 3 -	11%
Band 4 -	4%

85% of Home Seekers were rehoused within 12 months; this is an increase from 61% in 2012. .

63% of Home Movers and 70% of Home Starters were rehoused within 12 months.

55% of all applicants were housed in less than 6 month of applying for housing. This is an increase of 14% in 2013. 88% of all applicants were rehoused within 2 years of applying for housing.

From this information, it is considered that the current policy and Choice Based Letting System is working for those applicants who actively bid.

4.7 Review of Allocations Policy

The current allocations policy has been in place since January 2010. Since then, we have annually reviewed the Allocations Outcomes and a number of minor changes have been made to the policy based on the outcomes analysis.

As detailed above, we can evidence that the current policy is meeting housing need and applicants are being rehoused more quickly. However, we will ensure that moving forward our policy continues to meet customers’ needs and demands and complies with legislative and regulatory requirements. Therefore, a consultation programme has been developed and the first stage is to survey applicants on their views; thereafter focus groups will be set up.

Following the consultation process, a further report will be presented to the Executive to report on the findings and where appropriate will make recommendations to change policy.

4.8 LHS Outcomes

The table below summaries the progress the Allocations Outcomes in 2013 have made to assist in delivering the LHS outcomes (as detailed in para 1.2).

LHS Outcome :	2013 Allocation Outcome
<i>Best use is made of the existing and affordable housing to address local needs</i>	<p>The Allocation Policy aims to make best use of the available housing stock; address housing needs; and where possible take account of housing aspirations. In 2013, this has been achieved by:</p> <ul style="list-style-type: none"> • Re-letting 1,515 properties • Advertising 1,237 general needs properties through Homespot • Allocating 57% of lets to applicants with Band 1 • Allocating 22% of lets to applicants with Band 2
LHS Outcome :	2013 Allocation Outcome
<i>People with disabilities are able to adapt their homes or have information they need to make informed choices</i>	<p>Adapted properties are targeted to those applicants requiring the facilities. This is managed by the Specialist Housing Team and Housing OT based within the Allocations Team who are available to provide advice and assistance.</p> <ul style="list-style-type: none"> • 178 properties were advertised as adapted.
LHS Outcome :	2013 Allocation Outcome
<i>All rented housing is managed effectively and efficiently</i>	<ul style="list-style-type: none"> • 74% of properties were relet within 4 weeks • Tenancy sustainment fell to 88% - however of the 12% of tenancies that were not maintained for 12 months, 82% of these were terminated for positive reasons (e.g. transfer to another property; moving out with the area); the 18% that failed for negative reasons were due to abandonment and eviction.

5. CONCLUSION

- 5.1 The Annual Homelessness Strategy covers the year 2012-13 and provides a comprehensive update on the nature and extent of homelessness in the Falkirk area and progress made in relation to the over-arching Local Housing Strategy. A copy of this document is available as a background paper.
- 5.2 The Council's approach to dealing with homelessness and its prevention is now embedded within the service. This approach seeks to give people full information about the range options in which they can address their housing need. In some cases this will be to pursue a homelessness application, in others it will be to explore ways to sustain existing accommodation arrangements, whilst in others it will be to find accommodation in other sectors. Ultimately, people will be empowered to make reasoned decisions in full possession of all the facts about local housing supply and availability and with support to address any specific issues they may have.
- 5.3 The review of supported accommodation arrangements will be completed later this year and arrangements put in place to ensure that the provision of accommodation meets the needs of individuals, helping them to attain the skills they need to live independently in the longer term.

- 5.4 The Allocations Outcome Statement 2013 provides a comprehensive update on lettings activity during 2013. The report evaluates the effectiveness of the Allocations Policy with regard to meeting housing needs, making better use of the housing stock and providing housing applicants with more choice.
- 5.5 The report has detailed a number of positive outcomes that have been achieved during 2013 that are assisting to meet the LHS outcomes. There has been a slightly higher turnover of properties let from the previous year enabling more applicants the opportunity to move; houses have continued to be let to those in greatest housing need; more applicants are being re-housed quicker – with the majority being re-housed within 2 years; the majority of lets are accepted on the first offer.
- 5.6 The current allocation policy is currently under review which will ensure that the policy meets customers' needs and legislative requirements. A full consultation process has been developed to seek customer, members and other stakeholders views.

6. RECOMMENDATIONS

6.1 Members are invited to:

- **Note the progress in deliver the Local Housing Strategy Objectives incorporated within the Annual Homeless Statement and the Allocations Outcomes Report 2013; and**
- **Note that a review of the Allocations Policy will be undertaken during 2014 and a further update will be submitted to a future meeting of the Executive as outlined in section 4.7.**

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DIRECTOR OF CORPORATE & NEIGHBOURHOOD SERVICES

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LIST OF BACKGROUND PAPERS

1. Annual Homeless Statement 2012/13
2. Allocations Outcome Report 2012
3. Allocations Outcome Report 2013