Agenda Item	12
Report No	COM/ 20/14

The Highland Council

Community Services Committee

21 August 2014

Annual Monitoring Report: Housing Allocations Policy

Report by the Director of Community Services

Summary

This report provides annual monitoring information on the operation of the Highland Housing Register (HHR) allocations policy for 2013/2014. It highlights key issues in relation to the supply and demand for social rented housing in Highland. The report also identifies areas for further policy review.

1. **Background**

1.1 The Housing (Scotland) Act 1987 as amended by the Housing (Scotland) Act 2001 sets out the main legal duties regarding access to housing registers and the allocations 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 Community Services Committee and to the Boards of partner organisations. The annual HHR allocations monitoring report for 2013/14 is set out in **Appendix 1.**

2. **Allocations Monitoring**

2.1 The number of applicants on the register has reduced by 1,232 in the last year, and stood at 7,851 on 31 March 2014. This is the second year we have seen a reduction in the number of applicants, and this is due mainly to more efficient management of the register through better annual reviews and reassessment of circumstances. These changes help to ensure that the housing register is as up to date as possible. Policy changes introduced in relation to homelessness and to accessible housing applications has also contributed to this trend. Despite the reduction in the number of applicants overall there are still significant levels of unmet housing need in most parts of the Highlands.

2.2 For every property available there were 4.1 people on the register and approximately 2.6 offers were made for each property let. There were a total of 5,030 offers of housing made by all partners in the year. The number of homeless applicants has reduced by 3%, and there were a total of 644 lets to

applicants with homeless priority (35% of all property let). There were a total of 51 applications suspended due to refusing 2 reasonable offers of housing. High refusal rates of housing offers affects reletting times, and there may be a case for considering changes to policy to reduce the rate of refusals. It is proposed that this be discussed in more detail within the Highland Housing Register group. Any policy changes proposed would be reported to Committee.

2.3   The annual monitoring report demonstrates that generally speaking the housing allocation policy is meeting its objectives in relation to meeting housing needs. Chart 10 provides a summary of the proportion of applicants in each category of need and the proportion of applicants with those needs being housed. This shows that these are fairly well balanced, with the exception of under-occupation, where a lower proportion of applicants are housed in relation to the number of applicants in the category. This is slightly unexpected given that the priority awarded to this group of applicants was increased last year, and additional priority was awarded in relation to people affected by Welfare Reform. This will be kept under review this year.

2.4   The Annual Monitoring Report also contains information on the number of housing applications and the outcomes for applicants from different ethnic groups. We are dealing with low numbers of applications from ethnic minorities, and although the annual monitoring report does not suggest that the policy is adversely affecting people from these groups it is recommended that more detailed assessment of how we collect details of ethnicity and a sample audit of applications held from these groups in undertaken.

2.5   We held a workshop in March 2014 for Council Members and Board Members from housing association partners. A summary of the key points emerging from the workshop was reported to Committee in May 2014. It was also agreed that a further workshop should be held to discuss future policy options in more detail. Unfortunately it was not possible to arrange this session prior to the recess, but it is now planned to take place on Tuesday 9 September. This will allow Members to consider potential policy changes in more detail. It is likely that the session will allow more detailed consideration of housing options and the policy in relation to people living in private rented sector housing or living in poor housing conditions, where the Council may have powers to intervene to protect the interests of tenants.

2.6   A number of specific issues with housing allocations have arisen over the course of the year, and these are dealt with below.

3.   Low Demand Caithness

3.1   There are continuing issues of low demand for housing in parts of Caithness. For example, Chart 9 of the Monitoring Report shows that there are 152 people on the register requesting housing in East Caithness, but 201 applicants were housed in the area. This contrasts with Beauly which has a similar level of demand (139 applicants) wishing to be housed, but where only 19 houses were available for let. West Caithness also shows relatively low

demand. Overall 53.4% of offers of housing made in Caithness are refused.

3.2   These issues have been discussed within the Highland Housing Register Management Group. In order to understand the trends in more detail a telephone survey was undertaken amongst those who refused an offer of housing in Caithness last year. This explored why people refused offers of housing; whether there was anything we could have done to change their decision and also sought details of their employment status. The main reason for refusal was property location or type of property offered (68%). In order to try to address these issues in more detail the Highland Housing Register Management Group considers that there is a need to develop a special letting plan for Caithness, aimed at reducing refusal rates and increasing occupancy levels. The Committee is asked to agree that a special letting plan be developed, and that this should be considered in more detail by the Caithness and Sutherland Area Committee.

4.   Armed Forces

4.1   The Highland Housing Register application form was changed at the beginning of the year to start collecting data on current and ex-service personnel. The re-registration form has now also been updated to capture this data for those who are already on the register. We will need to collect this data for a full year before any analysis can be carried out on the numbers of applicants and their current status. We will include this data in the annual monitoring report next year.

4.2   The Council is currently meeting Scottish Government guidance on the treatment of armed forces personnel in our allocations policy and we can be confident that people are not disadvantaged in their housing applications at present. However the issue of developing special status and awarding extra priority for housing has been discussed at the Armed Forces Covenant meeting where there is a mix of views amongst stakeholders. It is recommended that further discussion of policy options should take place with Members on this matter.

5.   Children and Flats

5.1   At previous discussion on the allocations policy some Members have asked that households with children who are living in flats be given extra priority to allow them to transfer to houses This has been raised in relation to Caithness and Inverness.

5.2   The current allocation policy is that families with children will be offered flats if this type of accommodation meets their housing needs. Many flats are 2 or 3 bedroom properties that are designed as family accommodation. Where families are in flats that do not meet their needs because they are overcrowded / under-occupied or where there are accessibility issues on medical grounds, these factors would be reflected in the priority given to applications for transfer.

5.3 We have looked specifically at the impact of a policy change in Caithness and Inverness. In Caithness there are 160 applicants who need family sized accommodation (42% of housing demand). In Inverness there are 1,241 such applicants (41% of housing demand). At present there are 217 family sized upper flats in Caithness (15% of available family sized accommodation) and 594 in Inverness (21% of accommodation). We allocated 21 family sized upper flats in Caithness last year (12% of all family sized properties let) and 89 in Inverness (36% of all family sized property let). These figures illustrate that the current policy in relation to the allocation of upper flats to families with children plays an important part in making the best use of the available housing stock and meeting housing needs. Were we to award priority to families with children in flats to transfer to houses we would have insufficient supply of family sized accommodation to meet demand. We would also have high proportions of family sized upper flats that we would be trying to let to single people and couples who would be affected by under-occupancy rules in relation to housing benefit. It is recommended that no change be made to the Councils current policy in relation to the allocation of flats to families.

6. Implications

6.1 **Resources**: There may be resource implications associated with developing and implementing a special letting plan for Caithness. These would have to be contained within the current Highland Housing Register budget.

6.2 **Legal**: The current housing allocation policy is considered to meet current legal requirements and none of the recommendations in the report would have legal implications.

6.3 **Equalities:** One of the main aims of the allocation policy is to allow access to housing based on housing need. It is intended to undertake further analysis this year to satisfy ourselves that the policy in not impacting adversely on applicants from ethnic minorities.

6.4 **Climate Change / Carbon Clever:** There are no specific implications arising from this report.

6.5 **Gaelic:** Housing applications and related published material about access to housing meet the Council's standards in relation to Gaelic.

6.6 **Rural:** There are specific issues in relation to housing allocations in small rural communities. The current policy seeks to address these through the award of priority for people with a need to reside within a particular community. Competing pressures for available housing can be more acute in small communities with limited housing stock and turnover.

Recommendation

It is recommended that the Committee:-

- Note the information contained in the Annual Monitoring Report on housing allocations;
- Agree to carry out more detailed assessment of how we collect data on ethnicity and undertake a sample audit of cases to assess whether there are any adverse impacts on applicants from ethnic minorities;
- Note that a further Member workshop has been arranged for Tuesday 9 September 2014 to allow Members to consider potential policy changes in more detail;
- Agree that further discussion of policy options take place with Members on the treatment of armed forces personnel in the allocations policy.
- Agree 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; and
- Agree that no change be made to the Council's current policy in relation to the allocation of flats to families.

Designation: Director of Community Services

Date: 4 August 2014

Author: Claire Mckay, Housing Policy Officer

Background Papers:

**Highland Housing Register**

Allocations Monitoring Report 2013/14

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 2013 – 31 March 2014. 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 7,851 applications at 31 March 2014, compared to 9,083 at 31 March 2013, a reduction of 1,232. This is the second year we have seen a reduction in the number of applicants, and this is due mainly to more efficient management of the register through better annual reviews / reassessment of circumstances. These changes help to ensure that the housing register is as up to date as possible. Policy changes introduced in relation to homelessness and to accessible housing applications has also contributed to this trend. Despite the reduction in the number of applicants overall there are still significant levels of unmet housing need in most parts of the Highlands.

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: 5,819 applicants) and those from existing tenants seeking to transfer to another property: (Transfer List: 2,032 applicants). The proportions last year were 7,798 (75%) Housing List and 2,285 (25%) Transfer List.

Chart 1 - HHR Waiting List
Transfer List 26%
Housing List 74%
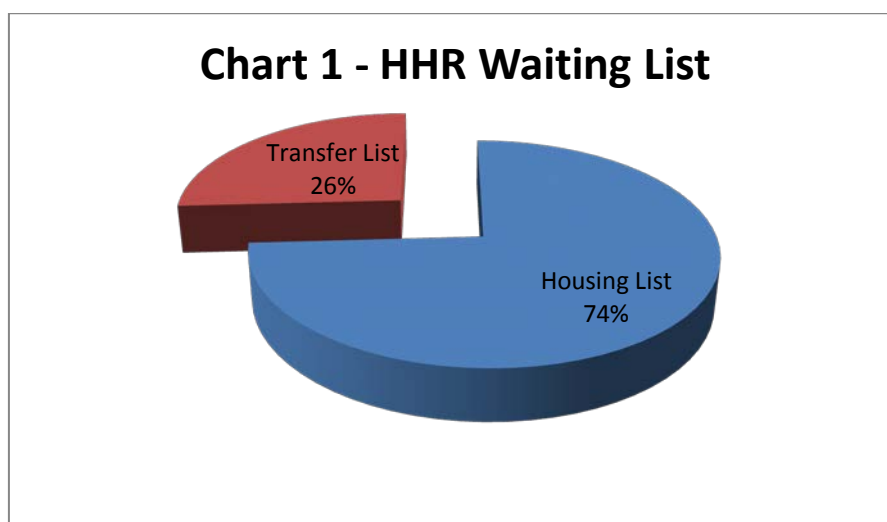
2.1.3   Chart 2 shows the number of applications each partner received. There were a total of 4,650 received last year. The partner who received the most applications was The Highland Council with 3,821, then Albyn Housing with 390, Cairn Housing with 138, Pentland Housing with 126, then Lochalsh and Skye Association with 100 and then Lochaber Housing Association with 75.

Chart 2 - No of Applications Received

- Albyn Housing Society 8%
- Cairn Housing Association 3%
- Lochaber Housing Association 2%
- Lochalsh Housing Association 2%
- Pentland Housing Association 3%
- The Highland Council 82%
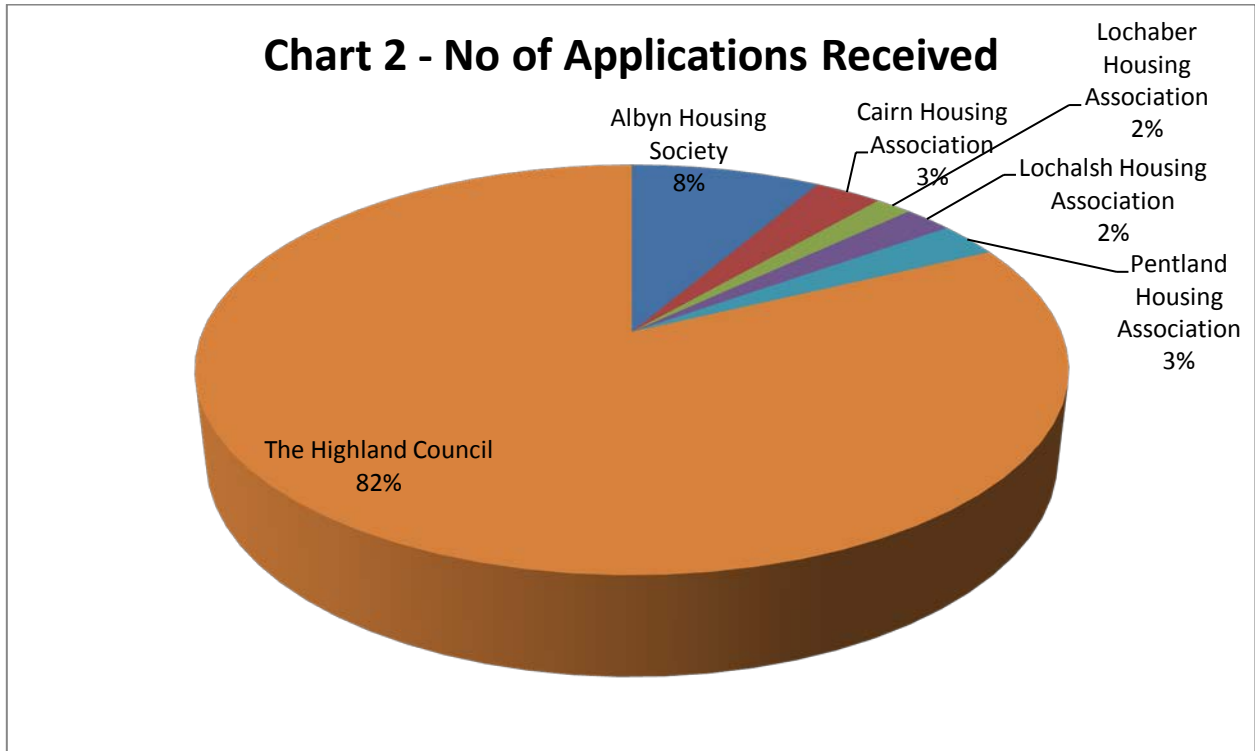
2.1.4   Chart 3 shows the total number of applicants broken down by age group. It shows that the largest group continues to be 16 -25 which has reduced by 1% to 64% of all applicants. Reinforcing that there is an ageing population, the 60+ group has increased by 2% to 20% and the 26 – 59 group has dropped by 1% to 16%.

Chart 3 - Age Group

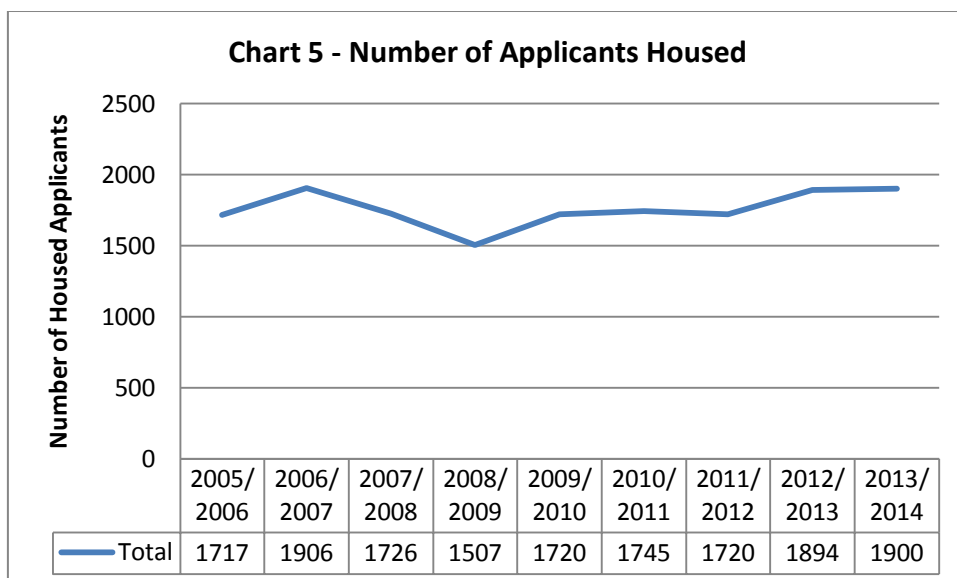- 60 + 20%
- 16 - 25 16%
- 26 - 59 64%
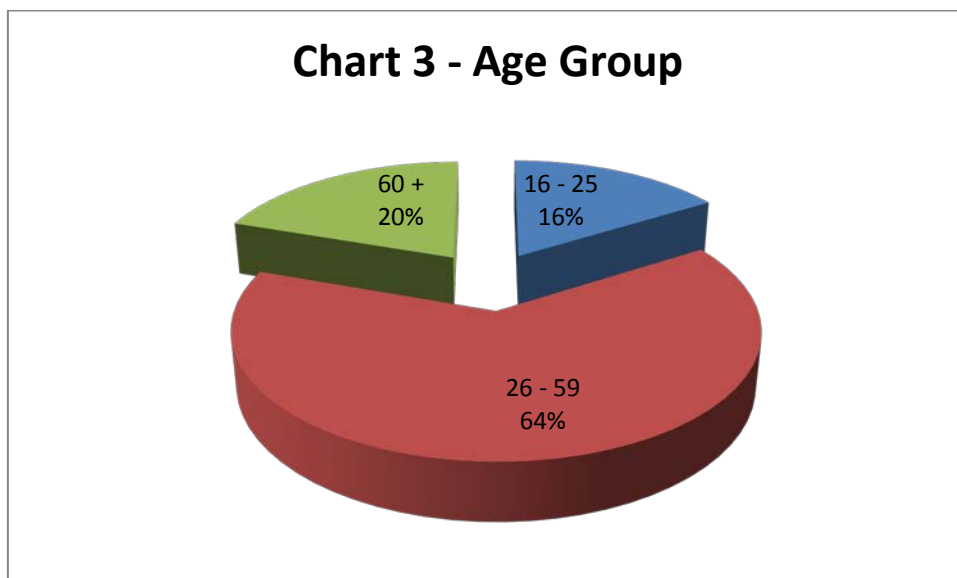
2.1.5 Chart 4 shows the number of applications by household type. It shows that the largest group continues to be single applicants (49%); with applications from couples at 11% and applications from families at 40%. The relative proportions are broadly similar to those reported last year.

Chart 4 - Household Type

Families 40%

Couples 11%

Single 49%
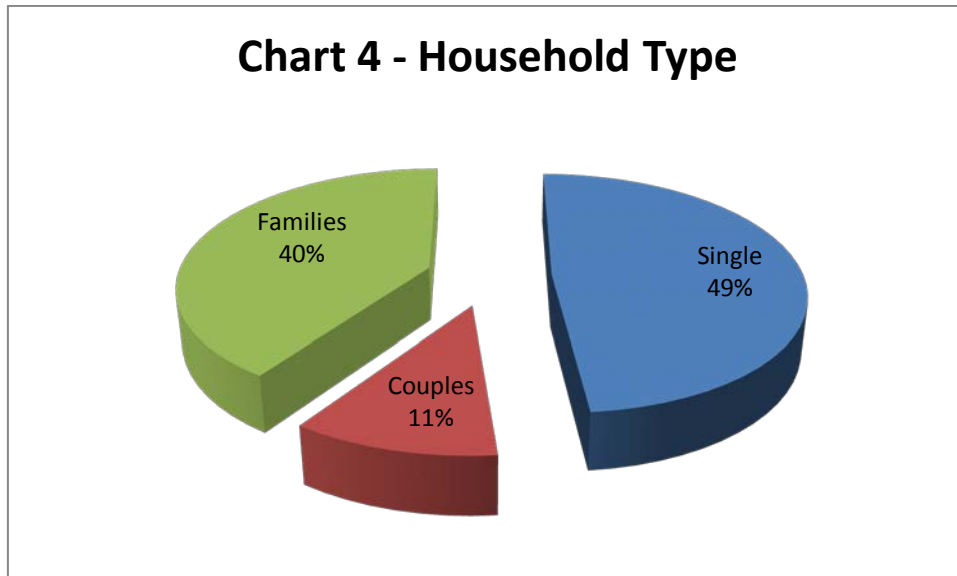
2.2   Allocations

2.2.1 Chart 5 shows that 1,900 applicants were housed in 2013/14, and shows the trend in applicants housed over time. It shows there has been a slight increase in the numbers housed in the last year.

Chart 5 - Number of Applicants Housed

	2005/ 2006	2006/ 2007	2007/ 2008	2008/ 2009	2009/ 2010	2010/ 2011	2011/ 2012	2012/ 2013	2013/ 2014
Total	1717	1906	1726	1507	1720	1745	1720	1894	1900

2.2.2 Of the 1,900 applicants housed last year 1,375 (72%) were from the Housing List and 525 (26%) were from the Transfer List. Allocations to Highland Council houses accounted for 1,332 (70%) of applicants housed which is a 2% increase and those to Housing Association houses 538 (30%).

2.2.3 Of the 1,900 lets made last year 171 (9%) were to new build houses. Most of these new build houses were let by the Council (97) rather than Housing Associations (74). This is a

reversal from previous years where Housing Association new builds always outweighed Council.

2.2.4 Chart 6 shows the breakdown of the total numbers housed by individual HHR Partners. There were only 6 more allocations this year compared to last year however the percentage per partner has changed. Both the Highland Council (1332) and Cairn Housing Association (147) have increased by 2%. Both Pentland Housing Association (43) and Lochaber Housing Association (36) have reduced by 1%. Albyn Housing Society (292) has reduced by 2% and Lochalsh and Skye Housing Association (50) has remained the same.

Chart 6 Allocations by HHR Partner

- Albyn Housing Society
- Cairn Housing Association
- Lochaber Housing Association
- Lochalsh & Skye Housing Association
- Pentland Housing Association
- Highland Council

15% 8% 2% 3% 2% 70%
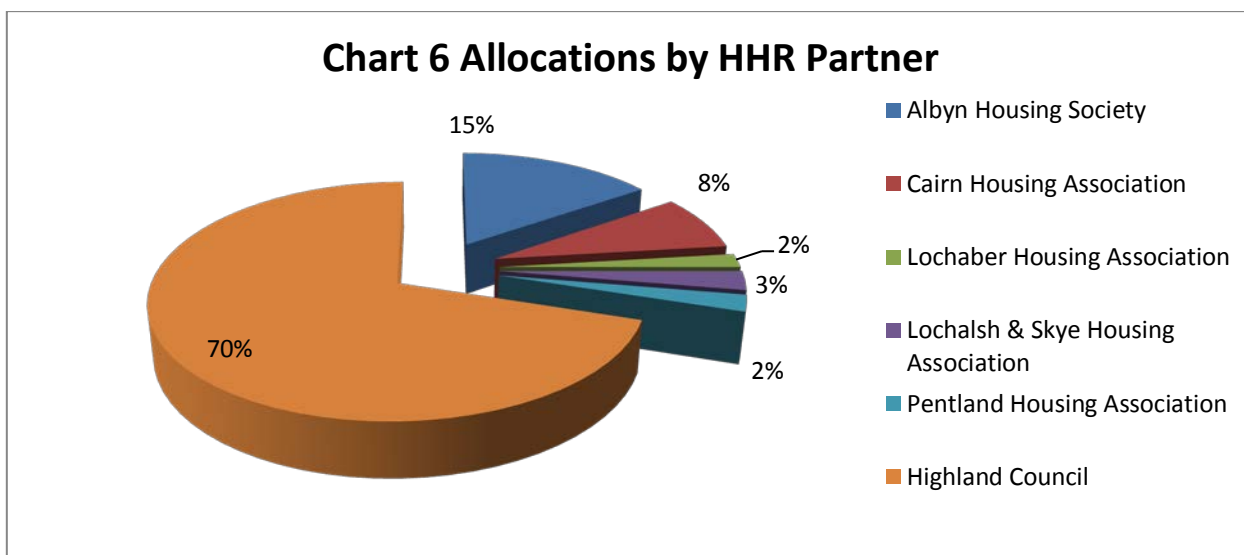
2.2.5 The Chart 7 below shows how many offers each partner made.

Chart 7 - No of Offers Made

No of Offers Made

Partner	No of Offers Made
The Highland Council	2515
Pentland Housing Association	100
Lochalsh Housing Association	81
Lochaber Housing Association	56
Cairn Housing Association	193
Albyn Housing Society	259
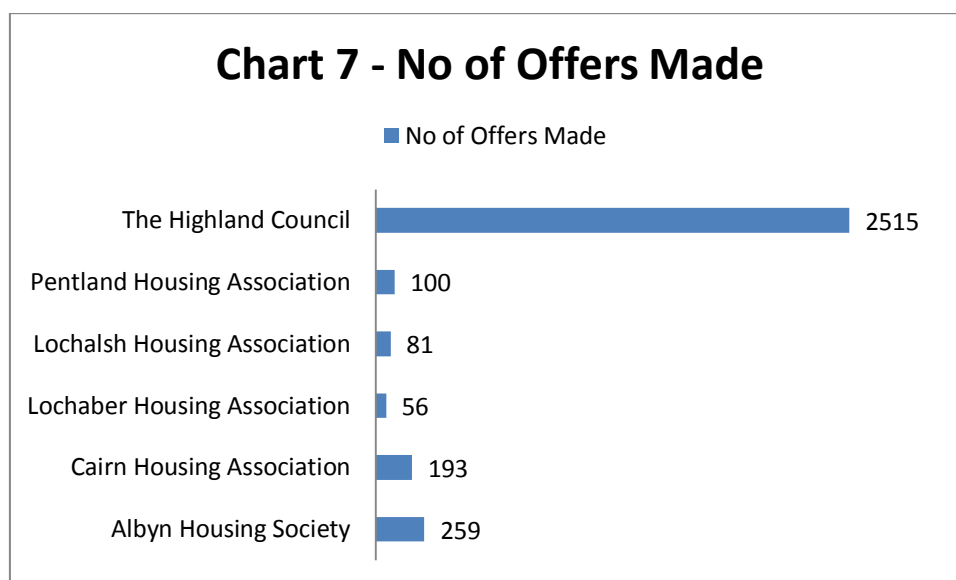
2.3 Allocations – Ethnic Origins for Applicants & Housed Applicants

2.3.1 This section of the HHR application form is not compulsory therefore the figures reported are not fully representative of all applicants. There has also been a reduction in the volume of new monitoring forms returned this year. This may be due to the fact the Equalities Form is currently separate to the Housing Application therefore less people are completing and returning them.

2.3.2 Chart 8 shows that the largest group of those who completed the form describe themselves as Scottish: 3,545 (80%) applicants and 747 (77%) 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 8 – Applicants by Ethnic Origin

Ethnic Origin	Number of Applications	Number Housed
White Scottish	3545	747
White Other British	529	147
White Irish	20	1
White Gypsy/Traveller	3	-
White Polish	74	28
White Other	221	47
Mixed or Multiple Ethnic	5	2
Indian	3	1
Pakistani	4	-
Bangladeshi	5	-
Chinese	3	-
Other Asian	3	-
Caribbean	2	
African	8	-
Other Black	2	-
Arab	0	-
Other Ethnic	9	-
Unknown	2	-
TOTAL	**4438**	**973**

2.3.3 We are dealing with low numbers of applications from ethnic minorities, and although the annual monitoring report does not suggest that the policy is adversely affecting people from these groups it is recommended that more detailed assessment of how we collect details of ethnicity and a sample audit of applications held from these groups in undertaken.

2.4   Allocations – Letting Zones & Homeless Demand

2.4.1 Chart 9 (below) 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, as well as the number and percentage of applicants with homeless priority.

Chart 9: Housing Supply Demand and Numbers Housed including Homeless Priority
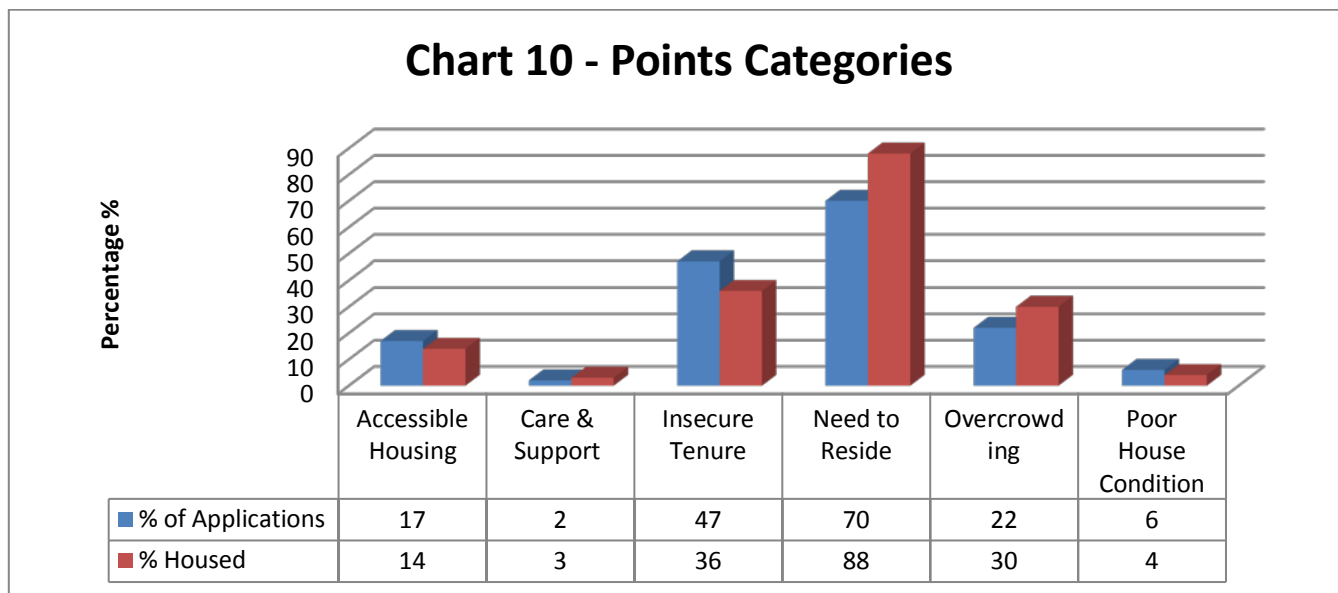
Zone	Total Stock	Total Demand	Homeless Demand	Total Housed	% Housed of demand	Homeless Housed	% Homeless Housed of Total
Alness/Invergordon	2006	468	37	163	35%	63	39%
Ardersier	951	727	63	82	11%	28	34%
Aviemore	455	253	12	41	16%	21	51%
Beauly	251	139	3	19	14%	3	16%
Black Isle	439	235	12	33	14%	7	21%
Central Lochaber	1216	547	40	91	17%	47	52%
East Caithness	1444	152	6	201	132%	8	4%
East Sutherland	872	181	3	92	51%	6	7%
Gairloch	137	42	1	24	57%	3	13%
Grantown	232	81	4	31	38%	10	32%
Inverness City	4338	2037	210	441	22%	240	54%
Kingussie	172	84	1	18	21%	6	33%
Loch Ness	195	119	3	13	11%	6	46%
Lochalsh	239	107	11	12	11%	8	67%
Lochcarron	108	50	-	5	10%	1	20%
Mid Ross	1343	536	43	134	25%	61	46%
Nairn	800	360	20	51	14%	26	51%
Nairn Rural	93	43	3	6	14%	3	50%
North East Lochaber	89	28	-	4	14%	1	25%
North Skye	599	235	18	55	23%	27	49%
North West Sutherland	243	32	-	21	66%	0	0%
Peninsula	131	48	1	13	27%	1	8%
South Lochaber	293	109	-	48	44%	7	15%
South Skye	243	97	11	18	19%	9	50%
Tain	785	209	7	82	39%	30	37%
Tomatin	26	32	-	2	6%	0	0%
Ullapool	173	93	-	19	20%	3	16%
West Caithness	1428	223	4	174	78%	18	10%
West Lochaber	172	92	-	7	8%	1	14%
TOTALS	**19473**	**7359**	**513**	**1900**	**26%**	**644**	**34%**

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. There is also one area (East Caithness) where the percentage housed actually exceeds the demand. This is due to an issue of Low Demand in this area which is likely to require policy options to be developed.

2.4.3   The proportion of homeless applicants housed has reduced from 37% last year to 34% in 2013/14. The proportions of lets to homeless households tends to reflect the general pattern of housing pressure, with a higher proprtion of lets to homeless people in areas of greatest housing pressure.

2.5 Allocations – Points Category

2.5.1 Chart 10 shows the percentage of applicants who have been awarded points for housing need categories contained in the Allocations Policy compared to the percentage of applicants housed with these categories of points. Details for those with Homeless Priority can be seen in the in Chart 8 above.
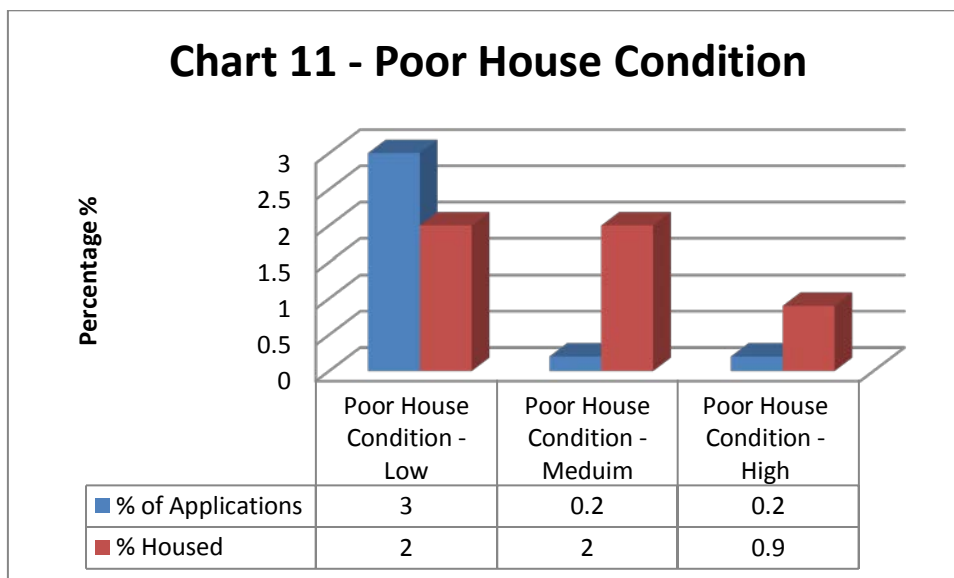
Chart 10 - Points Categories

	Accessible Housing	Care & Support	Insecure Tenure	Need to Reside	Overcrowding	Poor House Condition
% of Applications	17	2	47	70	22	6
% Housed	14	3	36	88	30	4

2.5.2 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 are more likely to be housed.

2.5.3 Of those with overcrowding points 3% (198) have extreme overcrowding points and 5% (95) of these applicants with these points were housed in the year. Extreme overcrowding points are awarded when there are 3 or more people sharing one bedroom.

2.5.4 Included in the underoccupancy figures, 328 (4%) are for those who are affected by the Welfare Reform Underoccupancy Rules of which 97 (5%) were housed.

2.5.5 Chart 11 below shows the breakdown of applicants by each of the three Poor House Condition points and the number which were housed.
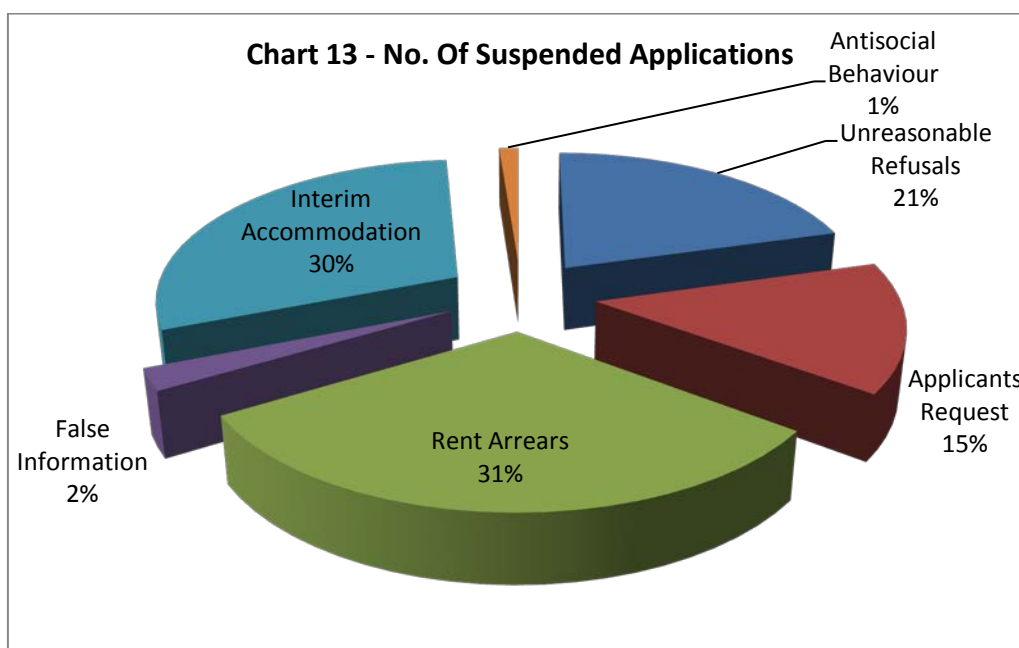
Chart 11 - Poor House Condition

	Poor House Condition - Low	Poor House Condition - Meduim	Poor House Condition - High
% of Applications	3	0.2	0.2
% Housed	2	2	0.9

2.5.6 Chart 12 below shows the number of applicants who have insecure points broken down by tenure and the numbers housed.

Current Tenure Type	No of applications	No Housed
Property Leased by HC	2	7
Prison	10	0
Hospital	14	4
Hostel	39	8
Tied Housing	154	9
Caravan	92	27
Residential Care	42	7
Supported Accommodation	60	7
Living with friends	276	86
Living with Family	1240	315
Private Rented	1788	207
TOTALS	**3717**	**677**

2.6 Suspended Applications

2.6.1 Chart 13 shows the breakdown by reason for the 248 applications which were suspended from receiving offers at 31 March 2014. The total number of applicants suspended accounts for 3.2% of all applicants, which is a slight increase from last year although this may be because the total number of applications have reduced this year. Most suspensions result from people being in rent arrears (78) followed closely by those in interim accommodation: 74. This is the first time that rent arrears has been the most common reason for applicants being suspended. 51 Applicants are suspended following refusal of 2 reasonable offers of housing, which is a reduction from 57 last year.

Chart 13 - No. Of Suspended Applications

Antisocial Behaviour 1%
Unreasonable Refusals 21%
Applicants Request 15%
Rent Arrears 31%
False Information 2%
Interim Accommodation 30%

Author: Claire Mckay, Housing Policy Officer
Date: 16 June 2014