

## Midlothian Council Lettings Analysis 2014/15

### Midlothian Council Allocation Policy

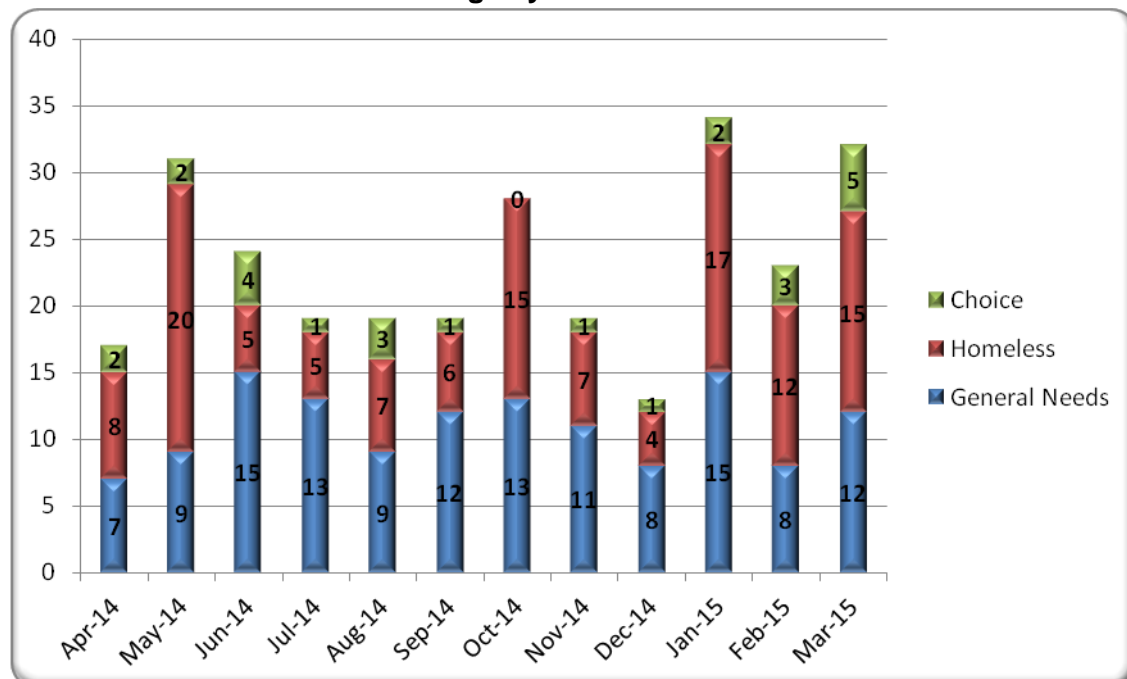
In April 2013 Midlothian Council adopted a new allocation policy. Prior to this the Council's Allocation Policy was Transfer led meaning that current tenants were given first option to new lets. The 2013 policy adopted a group and points model in which three waiting lists were created to reflect applicant circumstances with yearly letting targets set. The new waiting lists were to be:

- Choice List (Target 15%) – list for those applicants with no identifiable need.
- Homeless List (Target 45%) – list for those applicants who have presented and been accepted as being homeless.
- General Needs (Target 40%) – list for those applicants with a specific need. For instance those with medical need or who are living in overcrowded conditions.

### Letting Outcomes

278 council house properties were let by Midlothian Council during 2014/15. The number of properties let by month, broken down by waiting list category can be seen in chart 1 below.

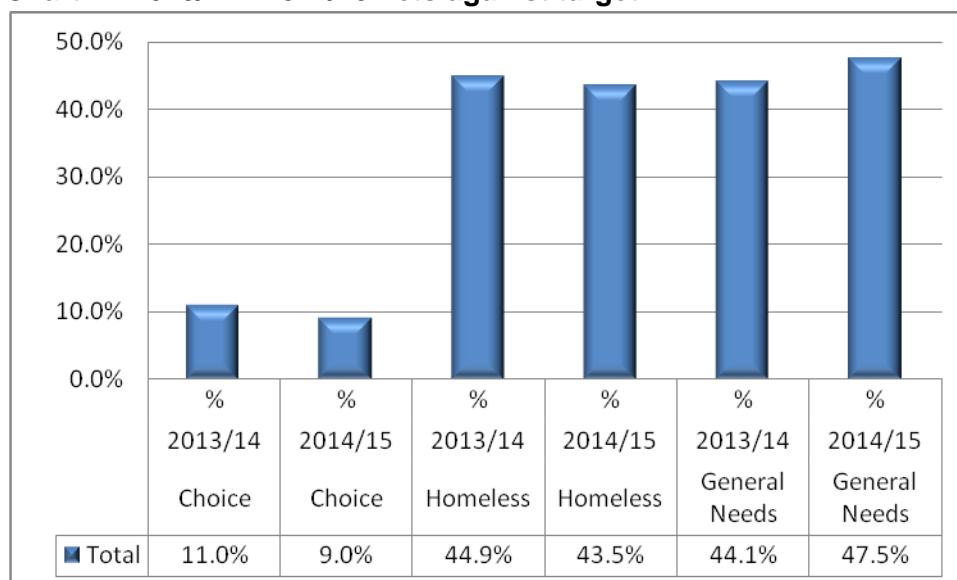
**Chart 1: Midlothian council lettings by month 2014/15**



During 2014/15, letting patterns were affected by the need to re-house 64 current tenants from a recently built estate at Newbyres Crescent/Gore Avenue in Gorebridge as these properties were required to be demolished due to high concentrations of carbon dioxide gas in some of the properties.

These tenants were prioritised on the General Needs List with the majority of lets from the group occurring between August 2014 and January 2015. The effect of these prioritised lets was to increase the overall proportion of General Needs lets during the financial year, adversely affecting letting target achievement for the different groups as shown in chart 2 below.

**Chart 2 : 2013/14 - 2014/15 Lets against target.**



The causes of failure in achieving the Choice List target of 15% in both 2013/14 and 2014/15 were:

- 2013/14 - 32 newbuild Extra Care properties were allocated directly to the General Needs list.
- 2014/15 - Prioritisation of Newbyres Estate General Needs (transfer) applicants over other groups.

Lettings to the different areas of Midlothian in 2014/15 are detailed in Chart 3 below.

**Chart 3: Lettings to each main area of Midlothian, 2014/15.**

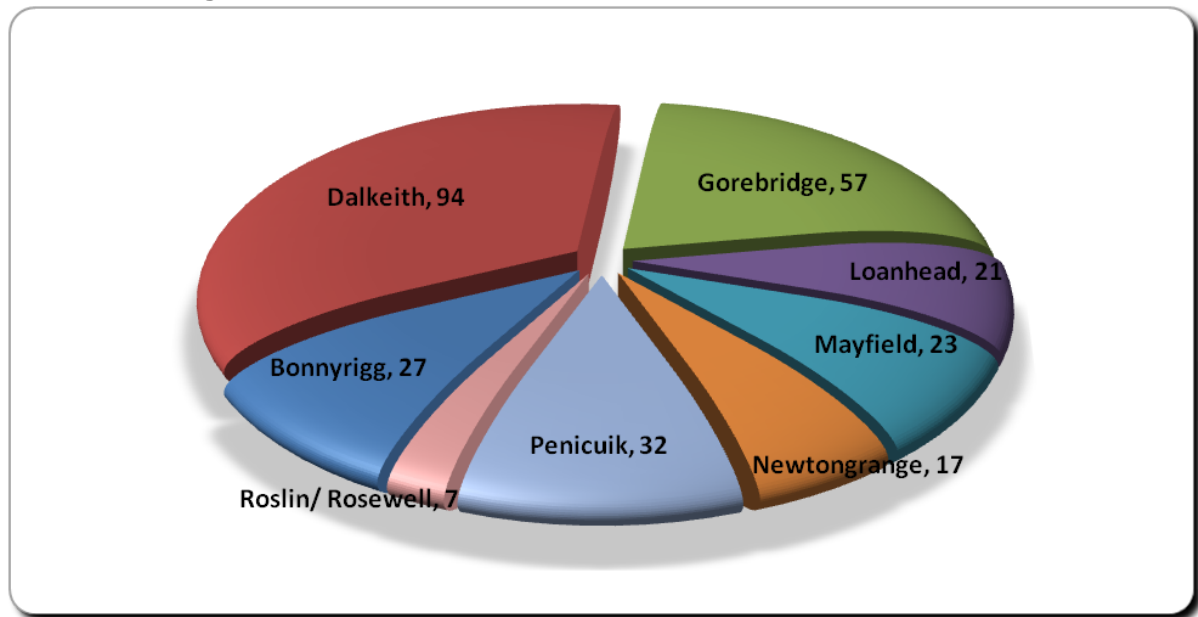


Table 1, below, compares the number and proportion of lets by area over the years of 2012/13, 2013/14 and 2014/15. It indicates that the highest number of lets continue to take place in settlements with the most council housing stock, particularly in Dalkeith and Gorebridge.

**Table 1: Numbers and proportion of lets by area.**

Area	2012/13		2013/14		2014/15	
	No.	%	No.	%	No.	%
Auchendinny	3	0.5%	0	0.0%	0	0.0%
Bilston	4	0.7%	5	1.4%	3	1.1%
Bonnyrigg	102	18.1%	26	7.3%	25	9.0%
Carrington	0	0.0%	1	0.3%	0	0.0%
Cousland	1	0.2%	0	0.0%	0	0.0%
Dalkeith	170	30.2%	107	29.1%	84	30.2%
Danderhall	15	2.7%	7	2.0%	7	2.5%
Gorebridge	129	23.0%	71	18.2%	57	20.5%
Loanhead	20	3.6%	15	4.2%	21	7.6%
Mayfield	56	10.0%	34	9.5%	23	8.3%
Newtongrange	11	2.0%	10	2.8%	17	6.1%
Pathhead	2	0.4%	5	1.4%	3	1.1%
Penicuik	30	5.3%	104	19.9%	32	11.5%
Poltonhall	11	2.0%	5	1.4%	2	0.7%
Rosewell	4	0.7%	7	2.0%	2	0.7%
Roslin	4	0.7%	2	0.6%	2	0.7%
Total	562	100.0%	399	100.0%	278	100.0%

In general, the percentage of lets to the different areas remained consistent over the three financial years. There are some significant differences that are explained by:

- 2012/13 - New-build activity in Bonnyrigg and Gorebridge resulted in a higher number of lets in these locations.
- 2013/14 - New-build activity in Penicuik resulting in a higher number of lets here.
- 2014/15 - Due to the historically small turnover of properties in Newtongrange, management activity in the year to accommodate Newbyres Crescent and Gore Avenue Estate resulted in some transfer applicants being moved from Newtongrange in order to create vacancies for Newbyres tenants.

### Allocations by Waiting List to Settlements

Table 2 shows all lets for the period 2013/14 – 2014/15 by waiting list. It details a higher proportion of lets to homeless applicants in Dalkeith compared to the other lists and similarly the lower proportion of lets to homeless applicants in Penicuik over the period. In Dalkeith this is due to a significant number of smaller, flatted properties being relet in this period and a higher proportion of Ready to Rent properties being let to homeless households in this area. The reason for the Penicuik homeless list under-representation can be explained by the extra care new build lets in 2013/14 to General Needs applicants.

**Table 2: Lets to settlement by waiting list 2013/14 – 2014/15**

Area	Choice		Homeless		General Needs	
	No.	%	No.	%	No.	%
Bilston	0	0.0%	4	1.3%	4	1.3%
Bonnyrigg	7	10.1%	20	6.7%	25	8.1%
Carrington	0	0.0%	0	0.0%	1	0.3%
Cousland	0	0.0%	0	0.0%	0	0.0%
Dalkeith	17	24.6%	101	33.7%	73	23.7%
Danderhall	0	0.0%	5	1.7%	9	2.9%
Gorebridge	12	17.4%	57	19.0%	59	19.2%
Loanhead	4	5.8%	21	7.0%	11	3.6%
Mayfield	9	13.0%	29	9.7%	18	5.8%
Newtongrange	3	4.3%	9	3.0%	15	4.9%
Pathhead	2	2.9%	1	0.3%	5	1.6%
Penicuik	15	21.7%	43	14.3%	78	25.3%
Poltonhall	0	0.0%	4	1.3%	3	1.0%
Rosewell	0	0.0%	5	1.7%	4	1.3%
Roslin	0	0.0%	1	0.3%	3	1.0%
Total	69	100.0%	300	100.0%	308	100.0%

## Allocations by Housing Need

Following the change in Allocation Policy it was envisaged there would be a change in profile of need that would be met. Table 3 shows the outcomes for the year 2012/13 when the Transfer Led Allocation Policy was still in place compared to the following two years under the Group and Points-based Policy. In order to be able to make realistic comparisons of needs met for 2014/15, those lets made to Newbyres Crescent and Gore Avenue households were not included in this table.

The key impact has been an increase in the proportion of lets to households with medical needs and to homeless households.

Currently the most common housing needs on the waiting list are as follows:

Homeless: 994

Insecure Accommodation: 403

Overcrowded: 403

Underoccupying: 270

A Medical: 111

B Medical: 376

**Table 3: Allocations by Applicant Need 2012/13 – 2014/15**

	2012/13		2013/14		2014/15	
	Number	%	Number	%	Number	%
No Identified Need	63	11.2%	47	11.8%	32	13.4%
Insecure Accommodation	1	0.2%	10	2.5%	9	3.8%
Management Transfer	13	2.3%	10	2.5%	13	5.5%
Overcrowding	126	22.4%	44	11.0%	15	6.3%
Underoccupying	14	2.5%	2	0.5%	0	0.0%
Contrived Overcrowding	31	5.5%	2	0.5%	0	0.0%
Homeless Amed	4	0.7%	3	0.8%	0	0.0%
A Med	32	5.7%	49	12.3%	27	11.3%
B Med	34	6.0%	54	13.5%	21	8.8%
Homeless	244	43.4%	178	44.6%	121	50.8%
Total	562	100.0%	399	100.0%	238	100.0%

## Allocations by Property Size

Tables 4, 5 and 6 below show the lets to each allocation group by property size.

**Table 4: Allocations by property size and waiting list 2012/13**

Bedroom Size	Waiting List						Total	
	Priority Need		Direct List		Transfer List			
	Number	%	Number	%	Number	%	Number	%
1	29	12.1%	28	19.3%	18	10.1%	75	13.3%
2	167	69.9%	93	64.1%	66	37.1%	326	58.0%
3	36	15.1%	13	9.0%	79	44.4%	128	22.8%
4+	7	2.9%	11	7.6%	15	8.4%	33	5.9%
Total	239	42.5%	145	25.8%	178	31.7%	562	100.0%

**Table 5: Allocations by property size and waiting list 2013/14**

Bedroom Size	Waiting List						Total	
	Homeless List		Needs list		Choice List			
	Number	%	Number	%	Number	%	Number	%
1	24	13.4%	59	33.5%	4	9.1%	87	21.8%
2	118	65.9%	64	36.4%	28	63.6%	210	52.6%
3	33	18.4%	42	23.9%	11	25.0%	86	21.6%
4+	4	2.2%	11	6.3%	1	2.3%	16	4.0%
Total	179	44.9%	176	44.1%	44	11.0%	399	100.0%

**Table 6: Allocations by property size and waiting list 2014/15**

Bedroom Size	Waiting List						Total	
	Homeless List		Needs list		Choice List			
	Number	%	Number	%	Number	%	Number	%
1	29	24.0%	39	29.5%	4	16.0%	72	25.9%
2	70	57.9%	61	46.2%	10	40.0%	141	50.7%
3	20	16.5%	27	20.5%	8	32.0%	55	19.8%
4+	2	1.7%	5	3.8%	3	12.0%	10	3.6%
Total	121	43.5%	132	47.5%	25	9.0%	278	100.0%

Another difference between 2012/13 and 2013/14 is the reduction in proportion of lets to Needs List applicants of 2 bedroom properties. The probable cause of this drop was the impact of Welfare Reform which guided the Housing Allocation Policy to only allow applicants to apply only for property sizes they required in order to receive full housing benefit entitlement. Previously, single applicants and couples could apply for both 1 and 2 bedroom properties; from 1 April, 2013 this was limited to 1 bedroom properties only. In 2014 this policy was slightly amended to allow single parents with access to children on a part time basis to qualify for 2 bedroom properties. The effect of this change can be seen in

the increase in proportion of Needs List applicants being allocated a 2 bedroom property during 2014/15.

In addition, Table 4 shows that 32% of lets were to Transfer applicants. Under the new Policy all Transfer applicants were allocated into a Waiting List Group. However, we are still able record the number of transfers to current tenants. This was 60 lets (15% of all lets) in 2013/14 and 65 lets (23%) in 2014/15. This is a significant reduction but the figure in 2014/15 was inflated due to the need to rehouse tenants at Newbyres Crescent and Gore Avenue.

### Allocation to Minorities

Table 7 below shows the number and proportion of lets to ethnic minority applicants and compares the results to the proportion of the same ethnic groups on the waiting list. It shows that there has been a slight increase in the proportion of lets to Non White Scottish households and Ethnic Minority households. This could be partly due to the change in the Allocation Policy, as there has been a reduction in lets to current tenants, and only a small proportion of current tenants belong to a non white ethnic group (1% of current tenants report that they belong to a non- white ethnic group compared to 3% of waiting list applicants).

**Table 7: Ethnic Group Statistics for Waiting Lists and Allocations**

	2012/13		2013/14		2014/15	
	No	%	No	%	No	%
Applicants on waiting list who are Gypsy/Travellers*	10	0.2%	9	0.2%	6	0.1%
Allocations to Gypsy/Travellers	0	0.0%	0	0.0%	0	0.0%
Applicants on waiting list who are non-white Scottish*	400	7.5%	318	7.7%	297	6.0%
Allocations to Non-white Scottish	30	5.3%	32	8.0%	20	7.2%
Applicants on waiting list who are from an Ethnic Minority*	101	1.9%	91	2.2%	137	3.0%
Allocations to Ethnic Minority applicants	8	1.4%	6	1.5%	10	3.6%

\*figures correct @ 31<sup>st</sup> March of each financial year

### Waiting Lists for Applicants

Table 8 and 9 show the Housing List in 2012 and 2015. It indicates that as a result of the decision to change the bedroom size qualification, which was prompted as a result of the UK Government's Welfare Reform legislation, there were significant changes to the need for different property sizes. In 2012, 35% of applicants were waiting for 1 bedroom housing and this increased to 57% in 2015. Conversely, households waiting for 2 bedroom housing had reduced from 50% of all applicants in 2012, to 33% of applicants in 2015. Table 10 shows that in 2015, 55% of council housing in Midlothian is 2 bedroom housing. Households requiring 3 or 4 bedroom properties reduced from 15% of applicants to 10% of applicants.

**Table 8: Waiting List in Midlothian 31<sup>st</sup> March 2012**

Size	1 Bed	2 Bed	3 Bed	4 Bed	Total
Number and %	1,595 (35%)	<b>2,305 (50%)</b>	645 (14%)	73 (1%)	4,618 (100%)

**Table 9: Waiting List in Midlothian 31<sup>st</sup> March 2015**

Size	1 Bed	2 Bed	3 Bed	4 Bed	Total
Number and %	<b>2,600 (57%)</b>	1,499 (33%)	417 (9%)	73 (1%)	4,589 (100%)

**Table 10: Council Housing Stock 31<sup>st</sup> March 2015**

Size	1 Bed	2 Bed	3 Bed	4 Bed	Total
Number and %	782 (12%)	<b>3,706 (55%)</b>	1,861 (28%)	333 (5%)	6,682 (100%)

It is evident that the length of time to be allocated housing varies depending on area choices made at the application stage. Tables 11, 12 and 13 show the average length of time applicants had been on the waiting list at the time of allocation.

The Newbyres Crescent/Gore Avenue transfer households have been removed from the data for 2014/15.



**Table 11: Average time on waiting list for those housed in 2012/13**

Area	Time taken (yrs) to house applicants by waiting list			
	Homeless	Direct List	Transfer List	All Lists
Auchendinny	2.8		2.6	2.8
Bilston	2.8	2.9	1.7	2.6
Bonnyrigg	3.8	3.5	1.1	2.4
Cousland			0.1	0.1
Dalkeith	2.7	2.6	2.9	2.7
Danderhall	3.2	4.8	1.1	2.3
Gorebridge	2.2	2.3	1.3	1.9
Loanhead	3.9	2.5	1.4	2.6
Mayfield	2.1	2.4	1.6	2.1
Newtongrange	3.0	0.5	1.3	1.9
Pathhead	1.7			1.7
Penicuik	3.2	3.3	0.9	2.6
Poltonhall	6.3	4.0	0.3	4.3
Rosewell	2.7	2.3	1.7	2.4
Roslin		4.5	5.1	4.8

**Table 12: Average time on waiting list for those housed in 2013/14**

Area	Time taken (yrs) to house applicants by waiting list			
	Homeless	General Needs	Choice List	All Lists
Auchendinny				
Bilston	3.6	1.4		2.7
Bonnyrigg	3.7	3.0	7.0	3.7
Cousland				
Dalkeith	2.3	2.5	4.0	2.6
Danderhall	2.5	1.0		1.8
Gorebridge	1.8	2.5	2.0	2.1
Loanhead	4.3	4.5	14.6	5.1
Mayfield	2.5	1.5	4.2	2.5
Newtongrange	3.1	1.1	9.0	2.7
Pathhead		3.8	2.7	3.4
Penicuik	3.4	3.5	4.6	3.7
Poltonhall	3.0	0.9		2.2
Rosewell	3.0	2.0		2.4
Roslin		0.6		0.6

**Table 13: Average time on waiting list for those housed in 2014/15**

Area	Time taken (yrs) to house applicants by waiting list 2014/15			
	Homeless	General Needs	Choice List	All Lists
Auchendinny				
Bilston	0.4	4.3		3.0
Bonnyrigg	5.2	4.6	2.8	4.7
Cousland				
Dalkeith	2.4	4.0	5.6	3.1
Danderhall	2.0	7.0		6.3
Gorebridge	2.4	3.4	2.9	2.7
Loanhead	4.0	3.3	3.9	3.8
Mayfield	2.7	3.2	5.9	3.6
Newtongrange	4.6	2.4	3.0	3.5
Pathhead	0.1	13.6		6.9
Penicuik	3.8	2.1	9.6	3.3
Poltonhall	1.6			1.6
Rosewell	2.3			2.3
Roslin	3.1	9.8		6.4

Average length of time until allocation in any particular year is affected by the areas that properties become available. For instance if a major new-build development is completed in an area it is likely to reduce the time taken to house applicants. The tables also indicate that households will wait over a year longer to be housed in Penicuik and Bonnyrigg compared to Gorebridge and Dalkeith. Smaller areas with less housing will also require a longer waiting time.

The type of property can also affect the length of time to allocation as there is a far higher demand for houses than for flats or 4 in block properties. In addition, applicants who require an adapted property to meet their medical needs will wait longer due to the low turnover of properties of this type. Tables 14, 15 and 16 show the average time applicants had been on the waiting list at time of allocation for different property types.

**Table 14: Average length of time on Waiting List by Property Type 2012/13**

Area	Time taken (yrs) to house applicants by property type 2012/13		
	House	4 in a Block	Flat
Auchendinny	2.6	2.8	
Bilston	2.8	2.3	
Bonnyrigg	2.1	3.2	2.7
Dalkeith	3.2	2.3	2.8
Danderhall	2.4	1.8	2.0
Gorebridge	1.6	2.2	2.3
Loanhead	1.7	2.9	3.1
Mayfield	2.0	4.4	1.9
Newtongrange	0.8	2.6	
Pathhead		1.7	
Penicuik	2.0	2.4	4.0
Poltonhall	5.1	2.4	4.3
Rosewell	2.4		
Roslin	4.8		
All Areas	2.3	2.4	2.7

**Table 15: Average length of time on Waiting List by Property Type 2013/14**

Area	Time taken (yrs) to house applicants by property type 2013/14		
	House	4 in a Block	Flat
Auchendinny			
Bilston	2.0	3.8	
Bonnyrigg	3.7	4.1	2.4
Cousland			
Dalkeith	3.0	1.7	2.8
Danderhall	1.9	1.2	
Gorebridge	2.4	2.0	1.9
Loanhead	7.7	4.5	3.8
Mayfield	2.8	1.2	2.3
Newtongrange	2.9	2.6	2.1
Pathhead	4.3	2.0	
Penicuik	3.7	3.9	2.8
Poltonhall	1.5	2.7	2.3
Rosewell	2.4		
Roslin	0.6		
All Areas	3.1	2.7	2.6

**Table 16: Average length of time on Waiting List by Property Type 2014/15**

Area	Time taken (yrs) to house applicants by property type 2014/15		
	House	4 in a Block	Flat
Auchendinny			
Bilston	4.3	0.4	
Bonnyrigg	5.2	4.6	3.3
Cousland			
Dalkeith	7.1	2.3	3.0
Danderhall	5.9	8.7	
Gorebridge	1.8	3.0	3.1
Loanhead	2.6	5.1	3.6
Mayfield	4.6	3.8	1.5
Newtongrange	2.4	3.2	7.5
Pathhead	13.6	0.1	
Penicuik	2.8	4.3	2.5
Poltonhall	1.6		
Rosewell	2.3		
Roslin	6.4		
All Areas	4.3	3.2	3.0

Table 14 shows that average time on the waiting list for applicants being allocated houses during 2012/13 was less than for other property types. However this was a result of the final year of the Transfer Led Allocation Policy. Transfer applicants generally spent less time on the waiting list and a tended to choose to be accommodated in houses rather than flats.

During 2014/15 a significant increase in waiting list time can be seen across all property types and is a reflection of the much reduced number of properties becoming available due to no new build completions in this year.

An indication for an applicant for the length of the time they might spend on the waiting list before being allocated a property is the number of points people had on their application at time of allocation. Tables 17, 18 and 19 show the average points obtained by applicants at time of allocation. Table 16 shows that in 2014/15 there was a significant increase in points required to be in a position to be considered for housing, this was mainly because there were no new build completions during this year.

**Table 17: Average number of points at allocation 2012/13**

Area	Homeless	Direct List	Transfer List	All Lists
Auchendinny	116		111	114
Bilston	115	116	31	94
Bonnyrigg	129	142	63	100
Cousland			251	251
Dalkeith	115	119	91	110
Danderhall	135	145	60	94
Gorebridge	113	114	68	100
Loanhead	135	127	75	109
Mayfield	113	119	84	107
Newtongrange	122	154	57	93
Pathhead	108			108
Penicuik	123	126	107	120
Poltonhall	122	129	143	128
Rosewell	115	110	31	93
Roslin		137	91	114

**Table 18: Average number of points at allocation 2013/14**

Area	Homeless List	General Needs List	Choice List	All Lists
Bilston	120	69		100
Bonnyrigg	120	132	58	119
Carrington	114			114
Dalkeith	116	108	46	104
Danderhall	118	106		114
Gorebridge	111	131	33	114
Loanhead	134	110	112	125
Mayfield	113	106	43	101
Newtongrange	116	114	75	110
Pathhead		145	43	104
Penicuik	135	134	49	117
Poltonhall	116	189		145
Rosewell	116	125		121
Roslin		155		155

**Table 19: Average number of points at allocation 2014/15**

Area	Homeless List	General Needs	Choice List	All Lists
Bilston	117	139		131
Bonnyrigg	156	157	62	148
Dalkeith	124	115	57	118
Danderhall	111	147		142
Gorebridge	129	108	38	110
Loanhead	155	178	79	151
Mayfield	119	199	73	131
Newtongrange	127	176	38	133
Pathhead	99	137		118
Penicuik	141	143	80	140
Poltonhall	197			197
Rosewell	190			190
Roslin	203	132		168

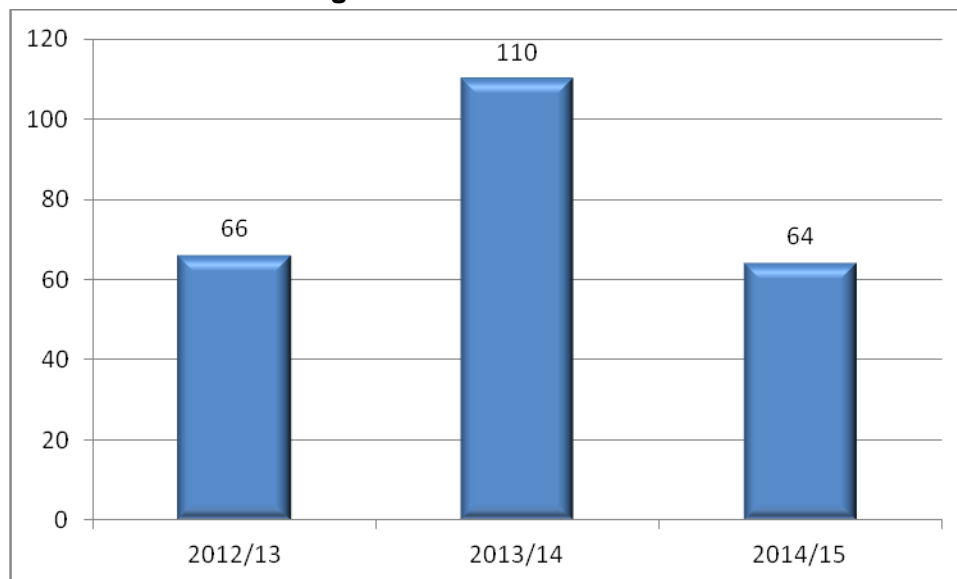
### Mutual Exchanges

It was recognised that a potentially negative effect of Midlothian Council's change in allocation policy would be a failure to meet demand for transfers. Also, demand was potentially going to increase due to Welfare Reform, in particular the introduction of the under occupancy charge in April 2013.

Mutual Exchanges were identified as having the potential to meet this demand. However the system used by Midlothian Council to manage Mutual Exchanges was inefficient and time consuming, relying on tenants looking at a window display in the council building or reading through a folder held at Midlothian Council reception to see available properties. To improve the efficiency of the process, with an expected increase in demand, Midlothian Council signed up to the Homeswapper scheme. Homeswapper is a web-based system enabling tenants to self register, search for suitable exchange properties and arrange exchanges themselves. Housing Officers ensure the swap suitability of tenants, tenancy checks and administer tenancy agreements. The initial increase in demand that resulted from the change in allocation policy and adaptation of the Homeswapper web based system can be seen in Chart 4 below.

Following an initial surge in Mutual Exchanges between 2012/13 and 2013/14 (a 67% increase) numbers returned to historic levels during 2014/15.

**Chart 4: Mutual Exchanges 2012-2015**



The reduction in activity during 2014/15 was not expected and may be explained by Welfare Reform demand effects and increased promotion of the service at the start of 2013.

Benchmarked against other Scottish councils, Midlothian has the second highest proportion of Mutual exchanges to standard lets.<sup>1</sup>

These results would suggest that Midlothian Council is maximising opportunities inherent in Mutual Exchanges to the full. However on analysis of the current Choice and General Needs waiting lists it has been identified that there are 563 live applications from households who are currently tenants of Midlothian Council. Of these applications, based on current letting trends, over 400 have are unlikely to be allocated a property for many years.

Changes in numbers and proportion of Mutual Exchanges by area and property type can be seen in Tables 20, 21 and 22. The tables show that the most common swaps are for, and between, house type properties rather than flats or four in a blocks, with more than 55% of exchanges being for houses in all years.

---

<sup>1</sup> Results as reported by SHBVN from the 2014/15 Annual Return of the Social Housing Charter.

**Table 20: Mutual Exchanges 2012/13**

Area	Flat		4 in a Block		House		Total	
	No.	%	No.	%	No.	%	No.	%
Bilston	0	0.0%	1	4.0%	2	3.2%	3	4.5%
Bonnyrigg	2	9.1%	4	16.0%	9	14.3%	15	22.7%
Dalkeith	3	13.6%	7	28.0%	8	12.7%	18	27.3%
Danderhall	0	0.0%	0	0.0%	4	6.3%	4	6.1%
Gorebridge	1	4.5%	3	12.0%	1	1.6%	5	7.6%
Loanhead	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Mayfield	1	4.5%	1	4.0%	5	7.9%	7	10.6%
Newtongrange	0	0.0%	1	4.0%	1	1.6%	2	3.0%
Penicuik	0	0.0%	2	8.0%	4	6.3%	6	9.1%
Poltonhall	3	13.6%	0	0.0%	1	1.6%	4	6.1%
Rosewell	0	0.0%	0	0.0%	2	3.2%	2	3.0%
Total	10	15.2%	19	28.8%	37	56.1%	66	100.0%

**Table 21: Mutual Exchanges 2013/14**

Area	Flat		4 in a Block		House		Total	
	No.	%	No.	%	No.	%	No.	%
Bilston	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Bonnyrigg	0	0.0%	2	8.0%	9	14.3%	11	10.0%
Dalkeith	4	18.2%	5	20.0%	12	19.0%	21	19.1%
Danderhall	0	0.0%	1	4.0%	2	3.2%	3	2.7%
Gorebridge	5	22.7%	7	28.0%	9	14.3%	21	19.1%
Loanhead	6	27.3%	1	4.0%	3	4.8%	10	9.1%
Mayfield	2	9.1%	4	16.0%	13	20.6%	19	17.3%
Newtongrange	2	9.1%	2	8.0%	3	4.8%	7	6.4%
Penicuik	1	4.5%	3	12.0%	8	12.7%	12	10.9%
Poltonhall	2	9.1%	0	0.0%	1	1.6%	3	2.7%
Rosewell	0	0.0%	0	0.0%	3	4.8%	3	2.7%
Total	22	20.0%	25	22.7%	63	57.3%	110	100.0%

**Table 22: Mutual Exchanges 2014/15**

Area	Flat		4 in a Block		House		Total	
	No.	%	No.	%	No.	%	No.	%
Bilston	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Bonnyrigg	0	0.0%	3	12.5%	4	11.1%	7	11.1%
Dalkeith	1	33.3%	4	16.7%	8	22.2%	13	20.6%
Danderhall	0	0.0%	1	4.2%	3	8.3%	4	6.3%
Gorebridge	0	0.0%	0	0.0%	4	11.1%	4	6.3%
Loanhead	1	33.3%	10	41.7%	1	2.8%	12	19.0%
Mayfield	0	0.0%	1	4.2%	5	13.9%	6	9.5%
Newtongrange	0	0.0%	0	0.0%	1	2.8%	1	1.6%
Penicuik	0	0.0%	4	16.7%	7	19.4%	11	17.5%
Poltonhall	1	33.3%	1	4.2%	2	5.6%	4	6.3%
Rosewell	0	0.0%	0	0.0%	1	2.8%	1	1.6%
Total	3	4.8%	24	38.1%	36	57.1%	63	100.0%



## Ready to Rent

As part of the Allocation Policy being revised in 2013, the process of letting properties in streets with higher rates of refusal in Midlothian was reviewed. These areas included Braeside Road North (Gorebridge), Woodburn Drive (Dalkeith) and Hillside Crescent North (Gorebridge).

Previously, the procedure for letting properties with higher refusal rates would be that applicants would be written to in batches of 10 to the households with the highest points on the Waiting List to inform them that the property had become available and asking if they would like to be considered for it. This was an inherently inefficient method of allocation and in 2012/13 the average re-let time for such properties was 78 days against an average 48 days for standard properties.

The new Housing Allocation Policy allowed for these properties to be allocated to any interested applicant using a choice-based method. The property would be advertised on the web and in the housing office with a deadline date inviting applicants to note their interest for the property and offered to the applicant with most points; these properties would be referred to as Ready to Rent properties. The Ready to Rent process could also be used for properties that had had more than 2 refusals and still not been let, this has been a rare occurrence, with only 6 properties since the introduction of the new Policy.

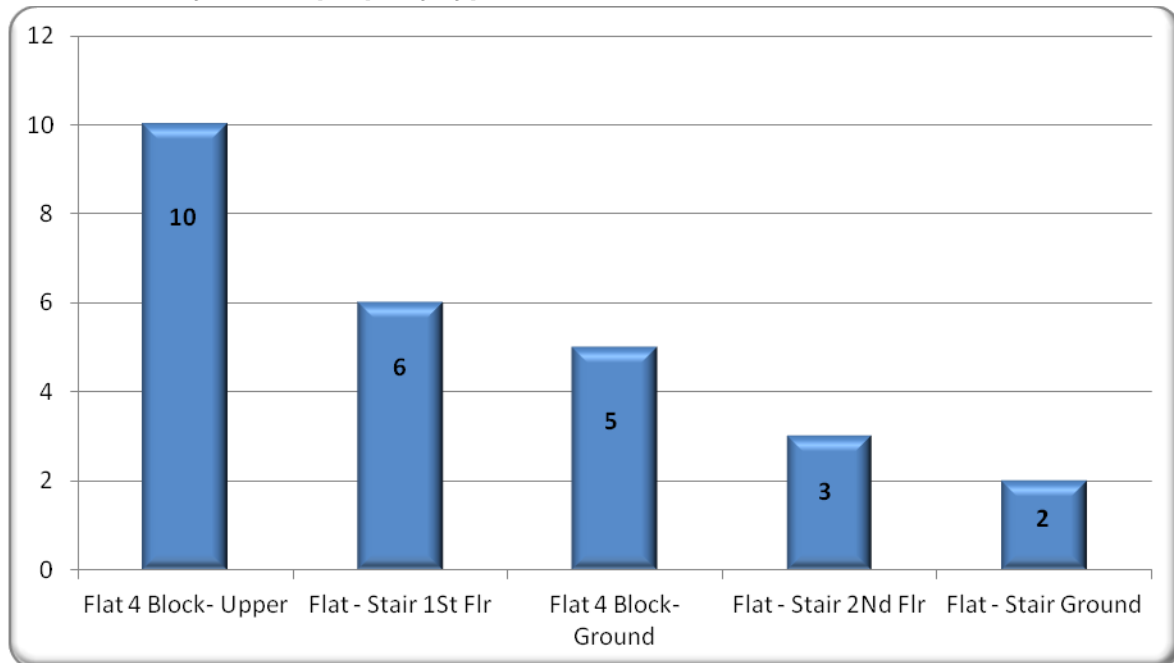
The Ready to Rent letting procedure became live in September 2013 and the average re-let time for this type of property has reduced to 58 days - an improvement of 20 days when using the previous system. We have recently introduced text alerts to notify applicants who are interested in properties of this type. The turnover of properties in the Ready to Rent areas has been historically higher than the average for Midlothian Council properties as can be seen in Table 23 below. In recent years the average turnover rate in Midlothian has been around 5%. It is expected that the Ready to Rent approach will reduce turnover in these areas.

**Table 23: Turnover of Ready to Rent Area Properties**

Road	Stock Number	2011/12		2012/13		2013/14		2014/15	
		No. Void	% Turnover	No. Void	% Turnover	No. Void	% Turnover	No. Void	% Turnover
Braeside Road North	17	5	29.4%	5	29.4%	3	17.6%	6	35.3%
Hillside Crescent North	19	5	26.3%	5	26.3%	5	26.3%	3	15.8%
Woodburn Drive	97	14	14.4%	14	14.4%	16	16.5%	19	19.6%
Total	133	24	18.0%	24	18.0%	24	18.0%	28	21.1%

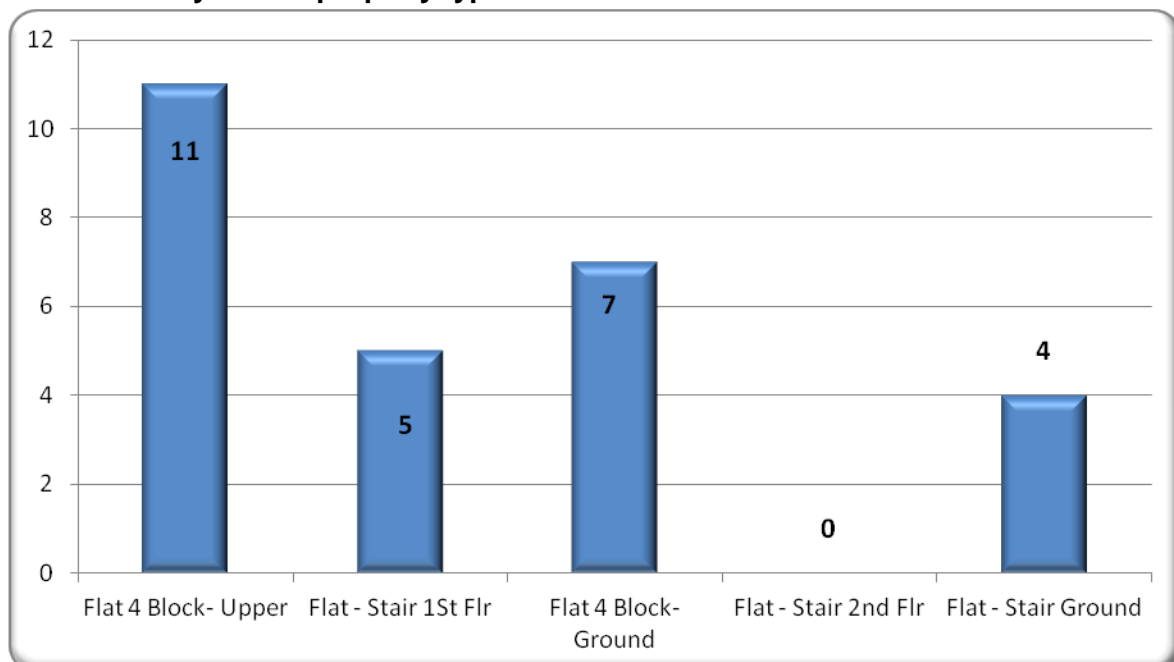
Yearly totals of Ready to Rent properties becoming available during the past four years have remained at similar levels. Property type vacancies have also remained steady since the Ready to rent policy was implemented as can be seen in Charts 4 and 5 below. The charts show that the highest turnover of property type in the Ready to Rent scheme has been for upper four in a block properties.

**Chart 4: Ready to rent property types 2013/14**



\*Includes two non low demand area lets.

**Chart 5: Ready to rent property types 2014/15**



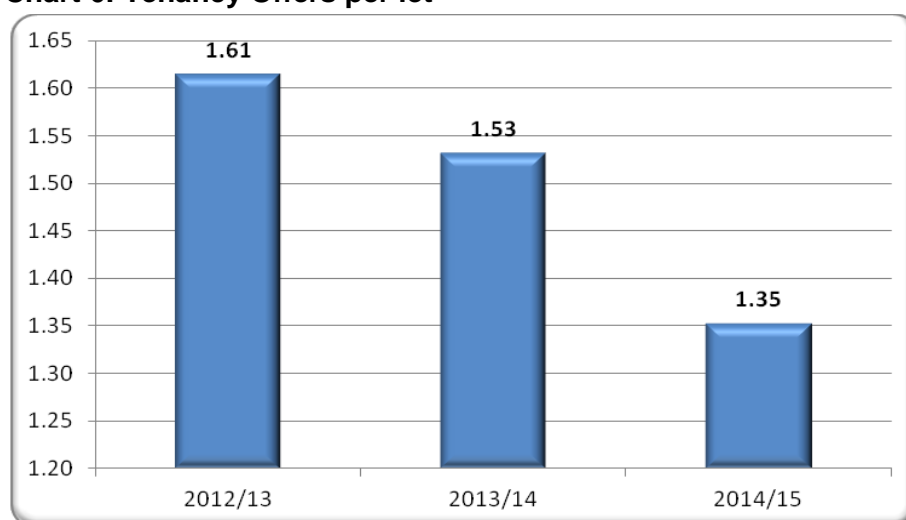
## Refusals

It was intended that the new Allocation Policy would reduce the number of tenancy offer refusals, as all applicants were now able to choose property type at application. Previously only existing Council tenants had the option of choosing the property type and other applicants would be penalised for refusing property types in which they did not want to live. Table 24 below shows the variance in refusals between 2012/13 and 2013/14 and between 2013/14 and 2014/15. The reduction in total refusals over the period 2012/13 and 2014/15 has been 71%; increasing efficiency in the letting process and improving the overall customer experience. However, the figure must be set against the reduction in lets between the two years of approximately 50%. To properly appreciate the success in reducing refusals it is necessary to compare the number of offers made per let in the year. Chart 6 below does this and indicates that there has been a reduction in refusals of 43%.

**Table 24: Reason for Refusals in 2012/13 - 2014/15**

Reason for Refusal	2012/13	2013/14	% Variance	2014/15	% Variance
No Response	45	25	-44.4%	9	-64.0%
Area Reasons	60	43	-28.3%	16	-62.8%
Change in Circs	114	59	-48.2%	24	-59.3%
Medical Reasons	37	25	-32.4%	12	-52.0%
Property Reasons	54	42	-22.2%	23	-45.2%
Wants to Cancel Application	11	9	-18.2%	1	-88.9%
Personal Reasons	23	8	-65.2%	13	62.5%
Rent Level	1	1	0.0%	0	-100.0%
Total	345	212	-38.6%	98	-53.8%

**Chart 6: Tenancy Offers per let**



## **Conclusions and Recommendations**

- It is evident that the Housing Allocation Policy is closely meeting the targets for Waiting List Groups, with the exception of the Choice Group, which had a reduced proportion of allocations than anticipated (9% in 2012/13 and 10% in 2013/14 as opposed to the 15% target).
- There has been a reduction in lets due to fewer new build developments being completed in 2013/14 and 2014/15.
- The Policy has also ensured that there has been a move away from Transfer-Led Allocations as there was a reduction in the number of lets to existing tenants.
- There has been a significant increase in households waiting for 1 bedroom housing due to the change in household size eligibility. At the same time, the number of households requiring 2 bedroom housing has decreased significantly. 2 Bedroom housing continues to be the most common property size being let to applicants.
- There has been a reduction in lets to households with points for overcrowding and under occupation and an increase in lets to households with medical points and to homeless households.
- Use of Ready to Rent procedures has improved the speed of relets for properties which have previously taken longer than average to let.
- The use of Homeswapper was initially very successful at generating increased mutual exchanges although there was a reduction in 2014/15.
- There has been a reduction in the number of Waiting List applicants refusing offers due to Applicants being given more choice of the property types they will be offered.

In light of these findings, no major changes to the Policy are required. However, the following amendments could be considered to better meet housing need in Midlothian:

- Change the Choice Group percentage target to 10%, with the other two groups having an increased proportion of lets. For example this could be to 50% Homeless and 20% General Needs and 20% Medical.
- Due to the impact of Welfare Reform legislation and the Housing (Scotland) Act 2014 the Council could consider giving higher priority to applicants who are under occupying properties to release these for needs applicants.
- Consideration of an increased incentive to downsize, in particular through mutual exchange.
- Greater promotion of mutual exchanges to address under occupation and overcrowding.

- Examine if there are other areas or circumstances where Ready to Rent procedures could be applied.
- To address very high demand for 1 bedroom housing and a lack of stock of this size, the Council could reintroduce flexibility in the allocation of 2 bedroom properties. This would have to be carefully considered with regard to the effect on arrears as a result of the under occupancy charge introduced as part of Welfare Reform.