

Housing Allocation Policy Review

Report by Allister Short, Joint Director, Health and Social Care

1. Purpose of the Report

- 1.1** The purpose of this Report is to inform Council of the lettings outcomes during 2016/17 and 2017/18 from the revised Housing Allocation Policy agreed in May 2016. These findings will inform a review of the Housing Allocation Policy which will take place during early 2019. It was agreed that Council will review this Housing Allocation Policy every 2 years and this will include appropriate consultation with tenants and housing list applicants.

2. Background

- 2.1** Midlothian Council's Housing Allocation Policy was completely revised in 2013 when a "Group and Points" model was introduced. In addition Midlothian Council now works in partnership with Melville Housing to provide a Common Housing Register ensuring applicants have increased housing opportunities from lets being made by both Midlothian Council and Melville Housing.
- 2.2** Previously the Council's Allocation Policy was Transfer-led meaning that current tenants were given the first option for new build lets. From 2013 three lettings groups were created to reflect applicant circumstances with annual targets set. The targets were adjusted following a review in 2016 to reflect housing needs.
- 2.3** Group schemes are seen as less complex, easier to understand and fairer compared to points based ones, but a combination of preference groups and the relative priority awarded to housing or medical needs provides a clear and transparent system of prioritisation to meet the aims for groups, with the lettings targets to ensure fair access to housing.
- 2.4** The Group lists are:
- Choice List (Target 10%) – 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 45%) – list for those applicants with a specific need. For instance those with medical need or who are living in overcrowded conditions.

2.5 An analysis of the outcomes of the Policy during the last two years are reported in Appendix 1. The main points from this were:

- a) 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.
- b) General Needs applicants account for 61% of applicants on the list, with the remainder of applicants either being homeless or choice list.
- c) In the three years being analysed the number of lets has been rising due to an increase in new build housing being completed and let.
- d) There has been a significant increase in households waiting for 2-bedroom housing due to the change in household size eligibility which was agreed as part of changes to the Housing Allocation Policy in 2016. At the same time, the number of households requiring 1 bedroom housing has decreased significantly. 2-bedroom housing continues to be the most common property size being let to applicants.
- e) The target of housing an equal split of needs between those with medical, overcrowding and other needs has been more difficult to meet due to the need to provide suitable properties to applicants with medical points.
- f) Use of Ready to Rent procedures has improved the speed of relets for properties which have previously taken longer than average to let.
- g) The use of Homeswapper was initially very successful at generating increased mutual exchanges although there has been a slight reduction in 2017/18.
- h) There has been no increase in existing households downsizing by 2 or more bedroom sizes and qualifying for an increased Incentive to Move grant of £1,500.
- i) There has been a reduction in the number of Housing List applicants refusing offers due to applicants being given more choice of the property types they will be offered.

3. Other factors that influence the Housing Allocation Policy

3.1 Homelessness

The Scottish Government has asked all Councils to develop a 5 year Rapid Rehousing Transition Plan to develop actions that substantially increase the speed of which homeless households will be provided with permanent housing. This is a particular challenge for local authorities where there is a lack of affordable housing and the time taken to permanently house a homeless household is much longer than the Scottish average.

In Midlothian in 2017/18, the average time taken for Midlothian Council to close a homeless case was 105 weeks, which is the highest length of time for any Council in Scotland. The Scottish average was 34 weeks, and 15 Scottish Councils are able to close cases within an average time of 25 weeks or less.

A key factor in the time taken to house homeless households in permanent accommodation is the number of allocations made via the Housing Allocation Policy. To reduce the time spent in temporary accommodation the Housing

Allocation Policy could house a higher percentage of homeless households than the current target of 45%. However, the supply of social housing is projected to increase due to a significant number of new build sites being developed by both the Council and RSLs. This provides an opportunity for the Council to demonstrate that it will be able to house a significantly increased number of households in permanent accommodation without having to substantially increase the proportion of allocations to homeless households, thereby ensuring that other housing needs are being met such as medical needs, overcrowding etc. However, it is still recommended that consideration be given to increasing the target of 45% for homeless households. It is also a possibility that additional priority could be awarded to homeless households deemed to be spending too long in temporary accommodation.

3.2 Choice

The current Housing Allocation Policy provides choices for housing applicants. For instance, a housing applicant can indicate that their preference is to only live in Bonnyrigg in a two-bedroom house, whilst another applicant (with exactly the same number of points on their application) can choose a preference of all areas and all house types in Midlothian. The latter applicant would be offered housing much more quickly and therefore Midlothian Council can discharge its homeless duty more quickly which reduces the requirement for temporary accommodation and bed and breakfast use. It is possible to require applicants to make a wider range of choices in order to increase the speed of making a housing offer.

However, promoting more choice for applicants could also be furthered with Choice Based Letting in Midlothian. A growing number of social rented landlords in Scotland use this method. The advantages of Choice Based Letting include:

- Increase customer choice as it is the housing applicant who decides if they want to choose to bid for a home or not.
- Increase the speed that empty properties are relet.
- Better use of staff time as the housing application could be completed online by the applicant.
- More information available to the applicant, who would be able to view pictures of the property online, view the number of bids, see their application points awarded at any time.

3.3 Legislative Change and Code of Practice Guidance

There are three key pieces of legislation which Registered Social Landlords must comply with when operating a Housing Allocation Policy, the Housing (Scotland) Acts of 1987, 2001 and 2014. The Housing (Scotland) Act 2014 is still in the process of being enacted, and it is expected that this will come into force at the beginning of 2019 alongside an updated Code of Practice for Social Housing Allocations which sets out guidance which Registered Social Landlords must take account of when operating their Housing Allocation Policy. Midlothian Council's Housing Allocation Policy will need to consider if

the Policy should change to take account of the Housing (Scotland) Act 2014 in the following ways:

- Social landlords now have to give reasonable preference to: People who are homeless or are threatened with homelessness and who have unmet housing needs; People who live in unsatisfactory housing conditions and who have unmet housing needs; and Social housing tenants who are considered to be under-occupying their home.
- Social landlords will still be able to decide whether other groups of applicants will also be given priority in response to local circumstances.
- When deciding on an applicant's priority for housing, the Act allows social landlords to take the ownership or value of property owned by the applicant into account. This applies to the applicant, anyone who normally lives with the applicant or who plans to live with them.
- Social landlords can set a minimum period before any applicant is eligible for the allocation of housing – depending on circumstances (a minimum period cannot be placed on homeless applicants by local authorities with a legal duty to secure accommodation for the applicant).
- Social landlords can decide that an applicant is not eligible for social housing if the applicant:
 - Has engaged in anti-social behaviour, including in the vicinity of the house; harassment of others; anti-social behaviour towards a social landlord's employees when applying for housing
 - Has a conviction for using their home for immoral or illegal activity or any other offence punishable by imprisonment committed in the locality of their home (also applies to someone who has resided with the applicant)
 - Previously abandoned a property and the tenancy was terminated
 - A court had granted an eviction notice against the applicant
 - Has or had rent arrears with a tenancy and certain specified steps had not been taken to pay back the debt
 - Made a false statement in any application for housing to a social landlord
 - Has already refused offers of housing and the landlord considers the refusal of that number of offers to be unreasonable.

3.4 Health and Housing

As outlined in Appendix 1, the Housing Allocation Policy provides housing options for households with medical needs, which gives priority for re-housing. In the last three years, 221 households have been provided with housing due to medical priority. It is important that medical needs continue to be taken account of in Housing Allocation Policy in order to contribute to health outcomes including avoiding delayed discharge and reducing requirement for care home places. It is particularly important that the Housing Allocation Policy reflects the needs of the community and a minimum of 10% of new build housing provision will be provided to those with medical needs.

- 3.5** Taking account of the trends indicated in previous years letting analysis, the legislative changes and the recent focus on rapid rehousing for homeless households, the key changes that may be considered and discussed as part of the consultation exercise, range from:

- i) Removal of the Choice Group. Applicants on the Choice Group would move to the General Needs List and the letting target for the Homeless and/or the General Needs could be increased.
- ii) Review points for existing tenants who are overcrowded or underoccupying to ensure they are given opportunities to transfer from their existing tenancy.
- iii) Support additional households to downsize by providing an incentive to move grant for households moving down by one bedroom size (currently it is only available for households downsizing by two or more bedrooms).
- iv) Continue to develop Local Lettings Initiatives which give priority to tenants on the transfer list and residents who live in the community where new council housing is being built.
- v) Amend the Housing Allocation Policy to address requirements of the Rapid Rehousing Transition Plan. This could mean giving additional priority to homeless households who have not been permanently housed after spending a specific period of time in temporary accommodation. It may also be useful to consider placing an additional requirement on homeless applicants to widen their areas of choice and house types in order that Midlothian Council can meet its statutory duty to provide permanent accommodation for homeless households more quickly. The Housing Allocation Policy should also acknowledge the need to house some households through the “Housing First” approach.
- vi) Consider the most appropriate housing pathway for households leaving care taking into account current best practice.
- vii) Consider the feasibility of introducing of a Choice Based Letting Model as opposed to a Group and Points model in Midlothian.
- viii) Consider whether to apply points to tenants who live in newly introduced private residential tenancies.
- ix) Ensure that the Housing Allocation Policy is aligned to the new Code of Guidance for Social Housing Allocations in Scotland.

3.6 Prior to agreement on any changes to the Housing Allocation Policy being undertaken, it is a requirement that consultation is undertaken with tenants and housing applicants and the outcomes of this consultation is reported on. Following this, it is proposed that an Elected Member Seminar is arranged in 2019 to consider the key issues that could result in changes to the existing Housing Allocation Policy. The Elected Member Seminar will also provide information on the results of consultation with Tenants and Housing List Applicants. Any amendments to the existing Policy would require Council approval before these were implemented.

4. Report Implications

4.1 Resource

There are no resource implications arising directly from this Report.

4.2 Risk

If the Council does not take into account the views of stakeholders and the analysis of letting outcomes in relation to the Housing Allocation Policy it will fail to take into consideration local needs which could have negative consequences for the community.

In addition, there is a risk to the Council where the Housing Allocation Policy does not comply with legislation or guidance from the Scottish Housing Regulator.

4.3 Key Priorities within the Single Midlothian Plan

The themes addressed in this report impact on the delivery of the Single Midlothian Plan outcome particularly in terms of priorities in relation to the delivery of affordable housing, homelessness and health and social care outcomes through the provision of specialist housing.

- ☐ Community safety
- ☒ Adult health, care and housing
- ☒ Getting it right for every Midlothian child
- ☐ Improving opportunities in Midlothian
- ☒ Sustainable growth
- ☐ Business transformation and Best Value
- ☐ None of the above

4.4 Impact on Performance and Outcomes

The recommendations in this Report impact positively upon achieving the following Local Housing Strategy outcomes:

- Households have improved housing options across all tenures.
- Homeless households and those threatened with homelessness are able to access support and advice services and all unintentionally homeless households will be able to access settled accommodation.
- The needs of households with particular needs will be addressed and all households will have equal access to housing and housing services.

4.5 Adopting a Preventative Approach

The proposed changes ensure a continued focus on providing a clear framework for prioritising applicants based on housing need and the reasonable preference criteria, which is set out in legislation. Regular monitoring and review is important to ensuring the Housing Allocation Policy makes best use of housing stock to meet housing need.

4.6 Involving Communities and Other Stakeholders

Consultation with tenants and applicants is required when considering revisions to the existing Policy. Engagement with other stakeholders such as

Social Work Adult Care, Children & Families, Legal and Audit Services, local RSLs, Shelter and the Scottish Government will also be undertaken.

4.7 Ensuring Equalities

The current Housing Allocation Policy was subject to a full Equality Impact Assessment. The policy ensures that discriminatory practices and procedures are eliminated and that the needs of women, ethnic minorities, people with disabilities and other target groups are assessed. The duties required of local authorities when letting their houses are set out in the Housing (Scotland) Act 1987, the Housing (Scotland) Act 2001 and the Housing (Scotland) Act 2014.

Any proposed changes to the Policy would need to be informed by a further Equality Impact Assessment.

4.8 Supporting Sustainable Development

Not Applicable

4.9 IT Issues

Not Applicable

5. Recommendation

It is recommended that Council:

- a) Note the positive lettings outcomes following the review of the Housing Allocation Policy;
- b) Note the implications of legislative change and the Rapid Rehousing Transition Plan on the Housing Allocation Policy;
- c) Note that a review of the Housing Allocation Policy will commence with a consultation exercise being undertaken to facilitate effective engagement with tenants, housing applicants and other key stakeholders;
- d) Note that an Elected Member Seminar will be arranged following the consultation exercise to detail further any proposed changes to the Housing Allocation Policy.

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Background Papers

Appendix 1: Midlothian Council Letting Analysis 2016/17 & 2017/18