

REPORT TO: Cabinet

MEETING DATE: 13 May 2025

BY: Executive Director for Place

SUBJECT: Council House Allocations Targets for 2025/26

1 PURPOSE

- 1.1 To seek Cabinet approval for Council House Allocation Targets for the period 1 April 2025 to 31 March 2026.
- 1.2 To explain the context, legal position and rationale for the proposed targets.

2 RECOMMENDATIONS

- 2.1 Cabinet is asked to approve the recommended targets detailed in Section 3.25 of this report.
- 2.2 Cabinet is asked to note that performance against these targets is reviewed on a regular basis and that such review forms part of the analysis in setting future targets in 2025/26 and beyond.
- 2.3 Cabinet is asked to note that ongoing regular monitoring of performance has been embedded within the Community Housing Performance Management Framework.

3 BACKGROUND

- 3.1 The Council operates a Group and Points Allocations Policy, which has been operational since its introduction in July 2007. A review of the Policy took place in 2018/19 with full implementation on 1 May 2019.
- 3.2 The main objective of the Allocations Policy is to meet the Council's legal obligations specified in the Allocations and Homelessness legislation. The policy, along with other associated actions will also help the Council make best use of Council housing stock. In addition, the policy also assists the Council achieve, along with other complementary actions, balanced and sustainable communities through local lettings plans.

Legal Obligations

- 3.3 In setting any targets against each group the Council must give reasonable preference to certain statutory groups when allocating Council houses. These include applicants living in unsatisfactory housing conditions, tenants in social housing who are under occupying their property and who have unmet housing needs, and those applicants who are homeless or threatened with homelessness.
- 3.4 Most of the statutory groups are found in the General Needs Group, although some applicants may fall into the Transfer Group, such as those who need re-housing because of overcrowding or whose health is being negatively impacted upon in their current accommodation.
- 3.5 The Homelessness etc. (Scotland) Act 2003, which took effect from 1 January 2013, has abolished the “priority need” test and now places a duty on local authorities to provide settled accommodation to anyone found to be unintentionally homeless.
- 3.6 The Homeless Persons (Unsuitable Accommodation) (Scotland) Order 2014 (amended) stipulated that no household comprising children, or a pregnant person be accommodated in ‘unsuitable accommodation for more than seven days.’ The Order has since been extended and from 1 October 2021 no homeless households are permitted to remain in ‘unsuitable accommodation’ for more than seven days, or this will constitute a breach of duties under the extended Order. All homeless households require to be accommodated in ‘suitable accommodation’, in accordance with Guidance, after seven days.
- 3.7 The Children and Young People (Scotland) Act 2014 specifically impacts the provision of accommodation to young people leaving the care system. The Council “Starter Flat” approach, which allocates these tenancies within the General Needs Group has already helped the Council deliver its corporate parenting objectives and has recently been complemented by the My Place project, which provides shared accommodation for care experienced young people.
- 3.8 The Homeless Persons (Suspension of Referrals between Local Authorities) (Scotland) Order 2022, which came into effect from 29 November 2022, suspends all Scottish local authorities’ powers to refer a person/household who is homeless or threatened with homelessness to another local authority in Scotland on the grounds of their local connection. The impact of changes regarding local connection is being closely monitored and we continue to highlight our concerns to the Scottish Government.

Target Principles

- 3.9 The Scottish Government’s Legal Framework for Allocations (2019) states that all targets should contain sufficient flexibilities to allow the landlord to continue to meet significant need when a target has been reached. The

functionality to review targets against changing housing demand forms part of a responsive allocations policy.

- 3.10 With this in mind, the allocations targets will be reviewed within three months to ensure that they continue to reflect the greatest housing demand. If, after analysis, a change to the targets is deemed necessary, a paper outlining the change will be submitted to Cabinet for approval.

Making Best Use of Stock

- 3.11 Significant effort has been made in the last few years to encourage transfer activity in order to make best use of stock, i.e. by creating vacancy chains, which free up additional houses to those initially let to transfer applicants.
- 3.12 To help facilitate this, the Council has also 'incentivised' transfers for existing tenants in larger family-sized properties to move to smaller and more appropriately sized accommodation by awarding downsizing grants.
- 3.13 Housing benefit changes with effect from April 2013 affected those who have a "spare" bedroom deemed to be under occupying. This has led to some tenants wanting to downsize, in turn creating greater demand for smaller-sized accommodation.
- 3.14 Full mitigation of the Housing Benefit under occupancy reduction through Discretionary Housing Payments has helped ease this pressure but this may not continue to be a long-term solution and is the subject of various committee reports.
- 3.15 In March 2022, March 2023 and March 2024, Cabinet continued to approve allocations targets that broadly align to overall housing list demand where most of the reasonable preference groups' applicants can be found; not least those who are homeless. As previously, it is proposed that the targets remain set at this level going forward.
- 3.16 At the end of March 2025, circa 73% of all allocations for 2024/25 have gone to the General Needs group against a target of 70% and circa 22% of allocations have gone to the Transfer group (against a target of 25%). The remaining 5% have gone to the Sustainable Communities (against a target of 5%).

Sustainable Communities

- 3.17 Good practice states that landlords should not exclude any prospective tenants from accessing housing.
- 3.18 Good practice also dictates that Local Lettings Plans can only be used where there is demonstrably good reason to do so, e.g. high turnover, anti-social behaviour etc., and to promote and enable balanced and sustainable communities.
- 3.19 The Council must set appropriate targets for those with low housing need at such a level that make sufficient material and positive impact to Local Lettings Plans, but at the same time continue to allow the Council to meet

its overriding legal obligations to the reasonable preference groups as defined in housing legislation. As such, this flexibility within the lettings targets to positively and materially impact on housing allocations should be retained.

- 3.20 Each local housing team has brought forward local lettings plans, with support from their respective Local Housing Partnerships, to help achieve balanced and sustainable communities. Currently, we have four local lettings plans in operation within the Musselburgh, Prestonpans, North Berwick and Tranent areas; all of which are being kept under continuous review.
- 3.21 In the Tranent area, it is proposed to end the Coop Buildings Local Lettings Plan, which has successfully met its outcomes and replace this with a new plan for Kings Road from May 2025. This has been discussed and agreed with the Local Housing Partnership and the report will shortly be lodged in the Members' Library.
- 3.22 On support from their respective LHPs, existing and future Local Lettings Plans will be reviewed and submitted to the Members Library. It is anticipated that the total target for Sustainable Communities will not exceed 5% but again will be subject to strict monitoring.

2024/25 Allocations Against Reported Groups

- 3.23 There were a total of 662 allocations from 1 April 2024 to 31 March 2025 (v 664 in 2023/24) which represents a higher number of allocations for the second year running since the introduction of the Annual Report on the Charter in 2013/14. The table shows the numbers and percentages of allocations for the following groups for this period:

Type	Number	Percentage	Targets 2024/25
General Needs	482	72.81%	70%
Transfers	146	22.05%	25%
Sustainable Communities	34	5.14%	5%
Total	662	100%	100%

- 3.24 Taking account of the 2024/25 data, legal obligations (such as the recent changes to the Homeless Persons (Unsuitable Accommodation) (Scotland) Order 2014), the introduction of Rapid Re-housing policy and associated requirement for annual Plans, backlogs in and increasing pressure on the provision of temporary accommodation, optimum stock utilisation and sustainability objectives, senior management within Housing propose the following percentage targets for 2025/26:

Group	Proposed Targets
General Needs	70%
Transfers	25%
Sustainable Communities	5%

- 3.25 These targets should be seen in the context of a range of measures required by the Council and its partners to increase the supply of affordable housing, and to address homelessness and comply with statutory and regulatory requirements.

4 POLICY IMPLICATIONS

- 4.1 The proposed allocations targets will assist the Council to meet its legal obligations under the Housing (Scotland) Act 2001, the Homeless Persons (Unsuitable Accommodation) (Scotland) Order 2014 (as amended) and the Homelessness etc. (Scotland) Act 2003

5 INTEGRATED IMPACT ASSESSMENT

- 5.1 The subject of this report has been through the Integrated Impact Assessment process and no negative impacts have been identified.

6 RESOURCE IMPLICATIONS

- 6.1 Financial – Continuing to set targets at this level will help reduce the overall financial strains on the provision of temporary accommodation by assisting throughput of all forms of temporary accommodation to settled accommodation.
- 6.2 Personnel – None.
- 6.3 Other – None.

7 BACKGROUND PAPERS

- 7.1 Cabinet Report – Council Housing Allocations Review 2019 – March 2019
- 7.2 Cabinet Report – Council House Allocations Targets for 2024/25 – March 2024
- 7.3 Members' Library – Local Lettings Plans – February 2020
- 7.4 Local Lettings Plan for Kings Road – May 2025

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