

**Decision Maker:** Care Services Policy Development & Scrutiny Committee

**Date:** 19<sup>th</sup> June 2012

**Decision Type:** Non-Urgent Non-Executive Non-Key

**Title:** HOUSING AND RESIDENTIAL SERVICES: 2011/12 ANNUAL REPORT INCLUDING Q1 UPDATE ON THE HOUSING REGISTER CURRENT TEMPORARY ACCOMMODATION POSITION

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**Chief Officer:** David Roberts Assistant Director (ECS Care Services)

**Ward:** Boroughwide

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1. Reason for report

This report provides an overview of the annual performance of Housing & Residential Services against the 2011/12 key objectives and targets. It also provides PDS members with an update on the new allocations scheme and the current position on the use of temporary accommodation and the actions being taken to try and reduce the current level of nightly paid accommodation placements.

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2. **RECOMMENDATION(S)**

2.1 Members of the Care Services Policy Development and Scrutiny Committee (PDS) are asked to:

- a. Note the performance against the key objectives and targets in the 2011/12 Portfolio Plan and work plan for these service areas, including the current actions in relation to temporary accommodation use (appendix 2).
- b. Consider and comment on the priorities as set out in paragraph 3.4 for the forthcoming year in response to the drivers set out from paragraphs 3.3
- c. Consider and comment on the current position of the new allocation scheme (appendix 3)

## Corporate Policy

1. Policy Status: Existing Policy:
  2. BBB Priority: Children and Young People Excellent Council Quality Environment Safer Bromley Supporting Independence:
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## Financial

1. Cost of proposal: Not Applicable: Within existing budgets
  2. Ongoing costs: Not Applicable
  3. Budget head/performance centre: This report covers the work of the former Housing & Residential Services Division. Its component parts have now been restructured across 3 areas: Housing Needs (Education & Care Services), Development & Strategy (Renewal & Regeneration) and Residential Services (Environmental Health; Public Protection)
  4. Total current budget for this head: £2,689K approved controllable budget across all three service areas.
  5. Source of funding: Education and Care Services Approved 2012/13 Revenue Budget (including empty property and homelessness CLG grants).
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## Staff

1. Number of staff (current and additional): 69.95FTE
  2. If from existing staff resources, number of staff hours: The report covers the work of the above services, including all staffing resources. No additional staffing resources are required in relation to the content of this report.
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## Legal

1. Legal Requirement: Statutory Requirement: The work of the Housing Needs Service fulfils a number of statutory duties in relation to housing advice, homelessness and the provision and allocation of accommodation. The work of the Development Service supports the delivery of these Statutory functions through the provision of affordable housing. Residential Services perform a number of statutory functions relating to housing conditions, licensing of housing in multiple occupation (HMOs) and administration of disabled facilities grants (DFGs).
  2. Call-in: Not Applicable:
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## Customer Impact

1. Estimated number of users/beneficiaries (current and projected): There are approximately 900 – 1,000 approaches each month from those facing housing related issues. Of these around 4,000 per year present faced with imminent homelessness requiring in-depth casework intervention to assist in resolving homelessness. Currently around 850 new housing register applications are received each month, it is expected that this will reduce by around 50% once the re-registration process has been concluded. Around 130 people receive DFGs annually. Approximately 20 are assisted with major works via interest free loans. Around 1,500 people access the handyman service. The housing enforcement team deals with approximately 1,300 service request annually. Approximately 600 households are in TA, of which over 250 are in some form of short term nightly paid accommodation.

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### Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments:

### **3. COMMENTARY**

3.1 The objectives and targets set out for 2011/12 were designed to fulfil both the Council's statutory duties and key targets in respect of housing, whilst ensuring that these were tailored to address local needs and priorities within Bromley.

#### **3.2 Summary of Performance:**

3.2.1 Progress against the specific performance targets in the Housing & Residential Services Business Plan that arise directly from the Portfolio Plan are detailed in Appendix 1 of this report.

3.2.2 Overall the report demonstrates that significant work has been undertaken to progress all priority areas towards achieving the overriding objectives by year end. However, despite the work undertaken, the dramatic increase in those approaching faced within homelessness, has impacted significantly on the level and complexity of workloads and the number of households inevitably accepted as homeless and placed in to temporary accommodation (TA). A report to the A&CS PDS committee in September 2011 provided details of the pressures in and arising from the housing market in general and provided details of the action plan being developed to tackle the situation. The action plan update is provided in Appendix 2 of this report.

3.2.3 Key achievements of note are:-

- Assisting more than 2,000 households to remain in their existing accommodation or identify suitable alternative housing options to prevent homelessness occurring.
- Launch of the new allocations scheme criteria and automated banding. An update briefing is provided in Appendix 3 of this report.
- Assisting 31 under occupiers to move freeing up much needed family sized accommodation
- Production and launch of the new 5 year homelessness prevention strategy.
- 19 family sized properties successfully recovered through the social housing fraud initiative.
- Work progressing on the building of 2 more extra care housing schemes (completed by end June 2012).
- 3 successful interim empty dwelling management orders (EDMO) achieved.
- 270 new build affordable housing units were completed, assisting the Council to meet its statutory housing and social care duties.
- The Council's affordable housing payment in lieu funding and external capital subsidy was used to develop a scheme of 7 flats for people with learning disabilities, generating corporate savings on the cost of placing clients into residential care.

#### **3.3 Key Drivers: Overview of the current housing market supply and need position**

##### ***Housing Needs***

3.3.1 Increased prevention and housing options work has achieved a year on year reduction in homeless acceptances and temporary accommodation use. By 2009/10 more than a 50% reduction had been achieved in temporary accommodation use from its peak of 1,014 during 2005, and a 70% reduction in homelessness acceptances, reducing by around 1,300 households each year.

- 3.3.2 Since the onset of the recession and in line with the early risk warnings previously reported, we are now experiencing a significant increase in the number of households presenting faced with imminent homelessness. The most significant areas of increase continue to be as a result of mortgage or rent arrears and loss of private rented accommodation.
- 3.3.3 Whilst the re-registration process has significantly reduced the numbers on the housing register, the service is currently receiving around 850 new applications per month. Even accounting for the increase from re-registration cases, this is still significantly greater than pre-recession and is creating a real pressure on the service, especially in processing and approving applications and issuing PIN numbers required for bidding on Bromley Homeseekers.
- 3.3.4 Supply has dropped across all sectors of the housing market as churn and new supply slows up. Access to home ownership and social housing has become more restricted and private rents are high and rising, effectively pricing many out of the housing market. The recent changes to local housing allowances has further increased the difficulty in private rented and leasing scheme acquisition. Thus, the bulk of this increase in temporary accommodation placements has been costly nightly paid accommodation, with virtually all of this accommodation commanding rental prices above the housing benefit temporary accommodation subsidy level. This position is reflected across London as a whole.
- 3.3.5 A further reduction in the overall supply of housing association lettings with the number of lettings reducing by about 320 compared to 2009/10.
- 3.3.6 A particular concern currently are the number of Central and North London Boroughs now actively seeking to acquire accommodation in the area, thus further reducing supply and pushing up costs. Especially as there is already very few private rented properties available in borough where the rent being charged is at or below the new housing benefits caps and this situation threatens increasing rents even further. Our leasing partners are already experiencing extreme difficulty in acquiring accommodation based on current rental values against housing benefit TA caps.
- 3.3.7 The significant welfare reform changes being implemented over the next few years will have an impact on private and social housing tenants and landlords. (Reforms include benefit caps for universal credit, extension of single room rents, payment direct to tenants and under-occupation rule extensions for social housing tenants). Recent research suggests that the changes will not only impact upon housing affordability, but are also likely to impact significantly upon household finances, leading to increased approaches to statutory services (education and social care services) requesting assistance with essential daily living costs. There could also be demographic swings across London will occur which may also impact upon service pressures.
- 3.3.8 Despite the continued focus on homelessness prevention and housing options work, this cannot keep pace with the level of increased demand, resulting in increased numbers of homeless acceptances and temporary accommodation placements.

### ***Development & Strategy***

- 3.3.9 The impact of the current economic climate on housing development and strategy has been reported in detail through the bi-annual performance reports to this committee detailing the impact of the pace of new development, both in terms of when schemes commence and complete.
- 3.3.10 The number of new planning applications being submitted continues to fall and a number of new developments have been put on hold by private developers, which in turn, delays the delivery of the affordable units on those sites. Furthermore, some owners of sites with existing

planning permission have sought to reduce the proportion of affordable housing and/or increase its price, or reduce/remove the amount of payment in lieu, on the grounds of financial viability in the current market.

3.3.11 Over the last 2-3 years, the actual number of completions has not dropped significantly as the bulk of these were already in the development pipeline when the economic downturn occurred. However, the impact is now starting to be experienced, with the number of new sites coming forward falling off dramatically as planning consents are delayed until grant or sufficient funding is available. In addition, even as the economy starts to restabilise, there will be a time lag before any increase in supply starts to be seen.

3.3.12 The table below demonstrates the significant fall in start on sites over the last 3 years. The implications of such a large reduction will further compound the difficulties facing the Housing Needs Service in identifying suitable supply to enable statutory and priority housing duties to be achieved.

Year	Start on Site: Total Number of Units
2009/10	373
2010/11	397
2011/12	53

3.3.13 The reduction in planning applications, coupled with the marked reduction in new building also significantly increases the difficulty in funding opportunities for the specialist accommodation supply required to meet the range of needs across Education & Care Services, such as learning disability units and extra care housing.

3.3.14 Meanwhile, the whole process and methodology whereby the Homes & Communities Agency (HCA) funds new affordable housing development has changed. The main implications of which were detailed within the 2011/12 H&RS half year performance report. Additionally, as part of the localism Act, local authorities will be required to develop and operate within a strategic policy on tenancies (SPOT) that needs to be in operation by April 2013. The LBB SPOT will be drafted in early 2013 and brought to PDS and Portfolio Holder for comments and approval.

### **Residential Services**

3.3.15 Empty property work is increasingly important given the pressures on the service and the introduction of the New Homes Bonus (NHB), which means that the number of empty properties brought back into use directly impacts upon the amount of NHB the Council receives. Work has been undertaken with Liberata to ensure data accuracy to maximise the levels of NHB available to the Council; an annual assessment will take place in October 2013. Overall, brought 111 empty properties have been brought back into use during 2011/12. A final empty dwelling running order was also completed bringing back a property which had been empty for around 15 years and 3 further EDMO's are in place with a number of others progressing through the required process.

3.3.16 A further £450K CLG/GLA funding has been secured to seek to address at least 27 longer term, and usually more expensive, empty properties over the next couple of years. The intention is to target these through the EDMO process or, if the owner does actually cooperate, through loans and thus the repayment of the loans or EDMO expenditure will come back to the Council for re-use on further empty property work.

3.3.17 The handyman scheme and the hospital discharge service has been closely linked for the last 6 years and has seen increased demand this year with cases assisting hospital discharge increasing from 360 in the first 6 months of the year to 547 in the second half of the year. From July, the hospital discharge element will be replaced by Medequip, a London consortium that offers very competitive costs. The future of the handyman element of the scheme is under review.

3.3.18 Disabled facilities work continues to face upward pressure and there has been an increase in the higher cost larger adaptation cases. 3 cases in excess of £30000 have been identified already in 12/13. A procurement exercise to reduce the costs of stair lifts is in progress and discussions are in progress with suppliers over the use of refurbished lifts. These proposals will help to reduce costs, but until tenders have been received and evaluated the level of saving cannot be quantified.

#### **3.4 Identified Key Priority Areas and Objectives for 2012/13:**

3.4.1 The previous section has outlined the decreasing supply across all sectors against significantly increased need. When looking at current data trends coupled with future pressures and new developments, such as the level of court hearings relating to possession proceedings, private rental levels, the Welfare Reform Act and new build activity, it would appear that this situation is set to continue at least in the short to medium term, with a widening gap being experienced in the next few years resulting in ongoing pressures on the service and the budgets for temporary accommodation and housing options, incentives.

3.4.2 There is no single solution to this problem and, as such, the approach needs to continue to include a full range of initiatives including increased prevention work, together with exploration of all options to acquire a sufficient supply of cost effective accommodation across both social and private housing to meet statutory homeless and priority housing duties.

3.4.3 Another key element for all in the Council of addressing the service and budget pressures is ensuring expectations are managed - not raised - and personal responsibility and self help are pursued. In reality supply is not meeting need, budget and service pressures are severe, and for the majority a speedy resolution for any housing related issue will not be through the Council's housing register of homeless applications process, but will involve considering a range of alternative options, most importantly looking to try to resolve issues to remain in situ or seeking private accommodation within an affordable area.

3.4.4 A key priority for the forthcoming year will be to ensure the successful bedding in of the corporate structural changes both in terms of the new department and the effective split of the housing functions across 3 directorates – ensuring that these continue to function to provide a comprehensive housing service and achieve the benefit aims of the recent restructure, ensuring that available resources are focussed on those most in need, maximise housing supplies and contribute to the wider strategic housing and residential priorities within Bromley. Within this context, the following key priorities have been identified for 2012/13:

##### ***Housing Needs***

3.4.5 Fulfil LBB statutory duties in relation to homelessness, maximising the number of households assisted to remain in their accommodation through the provision of:

- accessible and innovative services
- effective, timely advice and support

3.4.6 Work with private landlords and housing providers to:-

- prevent homelessness and assist households to remain in their current accommodation
- maximise access to private rented sector/alternative housing options

- 3.4.7 Ensure the effective use of mortgage rescue and possession prevention initiatives to minimise the level of homelessness arising due to rent or mortgage arrears, including the impact of housing benefit and welfare reform.
- 3.4.8 Minimise the use of temporary accommodation with a particular focus on:-
- achieving zero use of shared facility B&B accommodation for families and young people unless in an emergency
  - reducing the use of nightly paid accommodation
  - ensuring a sufficient supply of suitable temporary accommodation to meet statutory duties.
- 3.4.9 Through the allocations scheme, ensure best use of available social housing stock to prevent homelessness and meet the highest levels of housing need.
- 3.4.10 Work closely with HB and DWP, partner landlords and social care to consider potential impacts and steps that can be taken to prepare for, manage and mitigate the potential impacts of the welfare reform changes.

### ***Development & Strategy***

- 3.4.11 Work with planning to ensure implementation of affordable planning policy to deliver new supply which meets needs and resist applications from developer to reduce affordable housing and payments in lieu on schemes with existing permissions.
- 3.4.12 Actively contribute to the production of new strategic planning documents such as the LDF and core strategy, ensuring that strategic housing needs and Educations & Care Services priorities are reflected.
- 3.4.13 Continue to lead for Education & Care Services on the delivery of opportunity sites within Bromley town centre AAP, ensuring that housing needs are included and opportunities maximised in regeneration plans.
- 3.4.14 Support the provision of non-new build affordable housing such as deconversions and extensions to existing stock and HCA funding for private sector leasing.
- 3.4.15 Work with housing associations to review affordable housing tenure and tenure mix on development to enable them to obtain private finance and HCA grant wherever possible.
- 3.4.16 Develop and seek approval for strategic policy on tenancies and revised housing strategy that conforms to regional policy/strategy and the national strategy launched in November 2011.
- 3.4.17 Pursue any funding opportunities from Government, HCA and GLA.
- 3.4.18 Seek to secure alternative forms of accommodation to assist in reducing the reliance on nightly paid accommodation.

### ***Residential Services***

- 3.4.19 Continue to work with landlords to improve housing conditions.



- 3.4.20 Actively manage any increase in HMOs and work proactively to enable a supply to address any affect and needs arising from the changes in housing benefit regulations for 25-34 year olds.
- 3.4.21 Improve domestic energy efficiency through advice and discounts. Continuation of bids for external funding for energy efficiency improvements.
- 3.4.22 Improvement and reuse of derelict and vacant properties, bringing empty properties into use building on experience gained from our first EDMOs, securing nomination rights for the Housing Needs Service and maximising NHB payments.
- 3.4.23 Target grants for repair, adaptation and improvement to homes of vulnerable people to the highest need cases and wherever possible replace grants with loans and advise owners who are carrying out repairs and improvements, including help obtaining finance and interest free loans.
- 3.4.24 Review and update the handyperson and hospital discharge scheme in line with the procurement of Medequip to cover some of this work.

#### **4 POLICY IMPLICATIONS**

- 4.1 The Adult & Community Services Portfolio Plan contains statements of Council policies and objectives in relation to housing need and associated matters along with progress that members expect to make during the financial year and beyond. These are compliant with the statutory framework, within which the service must operate and incorporates both national targets and priorities identified from the findings of review, audits ad stakeholder consultation.
- 4.2 The objectives and work detailed in this report to increase the supply of affordable housing, assist in achieving targets in Building a Better Bromley, as well as achievements of other corporate priorities eg: residential home reprovision, learning disability supported living initiatives, town centre regeneration etc.

#### **5 FINANCIAL IMPLICATIONS**

- 5.1 The majority of the homeless prevention, social housing fraud and housing options work are grant funded through a homelessness grant along with a further grant to mitigate the affects of the housing benefit changes, welfare reform agenda and level of mortgage and rent arrears repossessions. Whilst the homelessness grant funding has currently been secured until April 2014, the longer term future of grant funding is still unclear and, along with the changes to HB subsidy for temporary accommodation, will require close scrutiny in forthcoming years particularly given the current economic uncertainty and likely increases in homelessness and associated costs. This will be reported to the Portfolio Holder as and when the need arises.
- 5.2 A report to the September meeting of this committee highlighted the pressures on the service and how these had culminated in a rise in households in nightly paid accommodation. This had lead to a projected year overspend in excess of £200K, with a £300K full year effect. Since this time, the number of statutory homeless households requiring nightly paid accommodation has continued to rise and if this trend continues will result in a full year effect cost pressure in excess of £800K. This has now been built into the 2012/13 budget, together with an action plan to address the current position, the update summary of which is set out in Appendix 2 of this report.
- 5.3 The payment in lieu budget as of 1<sup>st</sup> April 2012 stood at £1,724,600 uncommitted funds ring fenced for the delivery of affordable housing.

## 6 LEGAL IMPLICATIONS

- 6.1.1 The Council has a number of statutory obligation in relation to housing. These include the provision of housing advice and assistance to prevent homelessness or divert from homelessness, assessment of homeless application, to make temporary and permanent housing provision for those applicants to whom the Council has a statutory rehousing duty, supporting such households to sustain accommodation, having a published allocations criteria and policy producing housing and homelessness strategies; HMO licensing; disabled facilities grant adaptations; ensuring freedom from hazards and health& safety requirements of all housing.
- 6.1.2 The priority areas identified in the Portfolio and work plans for Housing & Residential Services are based within this framework to ensure the Council fulfils its statutory obligations and complies with good practice.

<b>Non-Applicable Sections:</b>	Personnel
Background Documents: (Access via Contact Officer)	Addressing rising homelessness and housing need and associated budgetary pressures (ACS11053) Homelessness Strategy – Sara Bowrey Portfolio Plan 2011/12 – Catriona Ellis H&RS Business Plan – David Gibson