
Decision Maker: Care Services Policy Development & Scrutiny Committee

Date: 4th December 2012

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

Title: **HOUSING AND RESIDENTIAL SERVICES: 2012/13 HALF YEAR PERFORMANCE REPORT**

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Chief Officer: Terry Parkin, Director Education & Care Services

Ward: Boroughwide

1. Reason for report

This report provides an overview of the half year performance of Housing Needs and Housing Development & Strategy against the key objectives and targets for 2012/13.

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 2012/13 Portfolio Plan and work plan for these service areas.**
- b. **Consider and comment on the priorities as set out in paragraph 3.4 for the remainder of the year in response to the drivers set out from paragraphs 3.3**

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 in relation to Housing Needs (Education & Care Services) and Development & Strategy (Renewal & Regeneration)
 4. Total current budget for this head: £2, 516,190 approved controllable budget for Housing Needs (operational housing). Strategic Housing - £16,260
 5. Source of funding: Education and Care Services Approved 2012/13 Revenue Budget (supporting people, homelessness and related DCLG grants).
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Staff

1. Number of staff (current and additional): 55.99 FTE
 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.
 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. Following the launch of the new allocations scheme around 850 new housing register applications were received each month. With the registration process completed, this has now reduced to around 450 per month. Nearly 700 households are in TA, of which around 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 2012/3 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 Needs and Development & Strategy Services Business Plans given by the Portfolio Plan are detailed in Appendix 1 of this report.

3.2.2 The report demonstrates that significant work has been undertaken to progress all priority areas. However, as previously reported, the continuing increase in those faced with impending homelessness, together with the shortage of affordable properties in the private rented sector, has impacted significantly on the level and complexity of workload. Inevitably, this has impacted on the number of residents accepted as homeless and placed in to temporary accommodation (TA).

3.2.3 Key achievements of note for the first half of 2012/13 are:-

- Assisting more than 1,000 households to remain in their existing accommodation, or identifying suitable alternative housing options to prevent homelessness occurring.
- Bedding in the new allocations scheme and completion of the re-registration process.
- Launch of the new enhanced incentive scheme to increase private rented and leasing scheme acquisition, with more than a 100 additional units secured.
- Assisting 14 under occupiers to move freeing-up much needed larger family sized accommodation
- Completion of Regency Court at Bromley Common; an extra care housing scheme that will provide 42 one bed flats and 18 two bed flats for frail and elderly clients.
- 121 new affordable units and £2.37m affordable housing payment in lieu negotiated from 5 major planning applications.

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 achieving more than a 50% reduction by 2009/10.

3.3.2 However, since the onset of the recession and in line with the early risk warnings previously reported, we continue to experience a significant increase (over 150%) 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, together now accounting for more than one third of all homeless acceptances.

- 3.3.3 Whilst the re-registration process has significantly reduced the numbers on the housing register – from around 8,000 to 2,065, the service has received 7,415 applications under the new allocations scheme. Taking out the number identified as part of the re-registration process, this still averages around 450 new applications per month. This is significantly greater than pre-recession and is creating a significant pressure on the service.
- 3.3.4 Supply has dropped across all sectors of the housing market as churn and new supply slows down. 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 allowance 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, with recent reports confirming more than a 50% increase across London in temporary accommodation use and a 26% increase in nightly paid accommodation in the past year.
- 3.3.5 A further reduction in the overall supply of housing association lettings has been witnessed during the first half of 2012/13, with the number of lettings reducing by about 50% compared to the same period for 2009/10.
- 3.3.6 Of particular concern is the number of private sector units which were previously being secured as private sector discharge of duty or leased accommodation, but now being offered only on a being charged on a nightly paid basis. We also see Central and North London Boroughs actively seeking to acquire accommodation locally, further reducing supply and pushing up costs. This is a particular problem as there are very few private rented properties available in borough where the rent being charged is at or below the new housing benefits caps. Our leasing partners are already experiencing extreme difficulty in acquiring accommodation based on current rental values against housing benefit TA caps. This is likely to be further exacerbated by the forthcoming changes to the temporary accommodation benefit subsidy arrangements, with a number of leasing scheme partners now reconsidering the future viability of such schemes.
- 3.3.7 The welfare reform changes being implemented over the next few years will have a significant impact on private and social housing tenants and landlords in addition to the impacts already being witnessed as a result of the local housing allowance changes and extension of the single room rate to 35 years. (Reforms include benefit caps for universal credit, 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. Initial analysis has identified in the region of 500 families affected by the universal credit benefit cap and more than 1,500 households affected by the extension of the underoccupancy caps on social housing.
- 3.3.8 The above factors mean that, despite the continued focus on homelessness prevention and housing options work, the sheer level of increased demand has resulted 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 Over the last 2-3 years, the actual number of affordable housing completions has not dropped significantly as the bulk of these were already in the development pipeline when the economic downturn occurred. However, the number of new sites coming forward and the implementation of consented planning applications that contain affordable housing has slowed down until sufficient capital investment becomes available. In addition, even as the economy starts to restabilise there will be a time lag before a significant increase in supply starts to be seen.

Year	Start on Site: Total Number of Units
2009/10	373
2010/11	397
2011/12	53
2012/13 (projected)	154
2013/14 (projected)	152

3.3.12 The table above 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.

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.

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

3.4.1 The previous section has provided an overview of the decreasing supply across all sectors against significantly increased need. When looking at current data trends coupled with future pressures and new developments, it would appear that this situation is set to continue at least in the short to medium term. We also anticipate this widening gap placing increasing pressures on the service and the budgets for temporary accommodation and housing options incentives.

3.4.2 The above clearly demonstrates that 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 met through the Council's housing register, but will involve considering a range of alternative solutions. Primarily, this will include advice aimed at trying to resolve issues to remain *in situ*, or seeking private accommodation in an affordable area.

3.4.3 Clearly there is no single solution to this problem and, as such, the approach needs to continue to include a full range of initiatives. This will include increased prevention work, together with an 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. Options already under consideration include refurbishing former residential units, the potential purchase or long term leasing of properties, and addressing underoccupation to make better use of housing stock to meet greatest need. In this we will also be seeking to consult with customers to look at a wider range of more tailored solutions that may assist in resolving their current housing difficulties or making best use of the existing stock, including whether they would wish to move to areas where there are greater supplies of more affordable housing.

3.4.4 Within the above context, the following key priorities form the focus for the remainder of 2012/13:

Housing Needs

3.4.5 Maximise the take up of all homeless prevention and housing option schemes to minimise the use of nightly paid accommodation and avoid placement of families and young people into shared bed and breakfast accommodation unless in an emergency.

3.4.6 To continue to work with private landlords and housing providers to maximise the supply of accommodation. This will include options to fully utilise the new provisions within the Localism Act to enable homelessness duties to be discharged into the private rented sector.

3.4.7 To consult and gain approval for the tenancy strategy designed to guide registered providers in setting their tenancy policies to ensure best use of housing stock to meet highest levels of housing need.

3.4.8 To undertake a benefits analysis review of the new allocations scheme one year on, including updating to reflect the new Localism Act as required.

3.4.9 To continue to explore all options for additional supply, including progressing with the projects around enhanced acquisition incentives and progression of the refurbishment and use of a former residential unit.

3.4.10 Work closely with HB and DWP, partner landlords and social care to analyse the 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 Education & Care Services' priorities are reflected.

3.4.13 Appraising whether Council property that is identified as being surplus to requirement could be utilised to support the Council's strategic housing requirements before the decision to dispose is taken.

3.4.14 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.

- 3.4.15 Develop a housing capital expenditure framework and allocate such funds to deliver a range of specified initiatives that meet local housing priorities and ease budgetary pressures.
- 3.4.16 Support the provision of non-new build affordable housing such as deconversions and extensions to existing stock and HCA funding for private sector leasing.
- 3.4.17 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.
- 3.4.18 Pursue any funding opportunities from Government, HCA and GLA.
- 3.4.19 Seek to secure alternative forms of accommodation to assist in reducing the reliance on nightly paid accommodation.

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 and 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 re-provision, 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 is 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 largely 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 The level of budget pressure in relation to the increased pressure on temporary accommodation has previously been reported showing unmitigated pressures of around £1.5m. The above initiatives are being undertaken to directly seek to minimise the level of pressure and to monitor the potential future pressures from both temporary accommodation and welfare reform, which are currently estimated to total around £2m across services including housing and children's' services, without the mitigating actions described above.
- 5.3 The payment *in lieu* budget as of 1st November 2012 stood at £4.2m, ring fenced for the delivery of affordable housing.

6 LEGAL IMPLICATIONS

- 6.1.1 The Council has a number of statutory obligations in relation to housing. These include the provision of housing advice and assistance to prevent homelessness or divert from homelessness, assessment of homeless applications, 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 scheme and producing housing and homelessness and tenancy strategies

6.1.2 The priority areas identified in the Portfolio and work plans for Housing Needs and Development & Strategy Services are based within this framework to ensure the Council fulfils its statutory obligations and complies with good practice.

Non-Applicable Sections:	Personnel
Background Documents: (Access via Contact Officer)	Addressing rising homelessness and housing need and associated budgetary pressures (ACS11053) Homelessness Strategy – Sara Bowrey Portfolio Plan 2012/13 – Catriona Ellis Housing Needs Business Plan – Sara Bowrey