

Decision Maker: CARE SERVICES POLICY DEVELOPMENT AND SCRUTINY COMMITTEE

Date: Tuesday 18 June 2013

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

Title: HOUSING SERVICES 2013/14 PRIORITIES

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Ward: BOROUGHWIDE

1. Reason for report

This report provides a summary of the key performance outturn for 2012/13. It then goes on to detail the current housing pressures being faced regarding rising housing need and homelessness and the key priorities in place for 2013/14 aimed at directly tackling the rising statutory homeless pressures.

2. **RECOMMENDATION(S)**

2.1 Members of the Care Services Policy Development & Scrutiny Committee are asked to:

- a) Note the performance against the key priorities in the 2012/13 Portfolio and work plans for these service areas
- b) Note the priorities as set out in paragraph 3.4 for 2013/14 in response to the current housing pressures being experienced as detailed in the body of this report.
- c) To support draw down of the successful grant funding bid of £200K over the next 2 years to work with housing associations with stock in the borough to tackle social housing fraud.

The Care Services Portfolio Holder is asked to approve the draw down of the successful grant funding bid of £200k over the next 2 years to work with housing associations with stock in the Borough to tackle social housing fraud.

Corporate Policy

1. Policy Status: Existing Policy: Further Details
 2. BBB Priority: Children and Young People Excellent Council Quality Environment Safer Bromley Supporting Independence Not Applicable: Further Details
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Financial

1. Cost of proposal: Estimated Cost No Cost Not Applicable: Further Details
 2. Ongoing costs: Recurring Cost Non-Recurring Cost Not Applicable: Further Details
 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: £3,149,930 approved controllable budget for Operational Housing. Strategic Housing £17,870 credit
 5. Source of funding: Education & Care Service Approved 2012/13 Revenue Budget (supporting people, homelessness DCLG grant); Affordable Housing Payment in Lieu Budget: £3.2million
LB Bromley Housing Provisions Budget: £380k
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Staff

1. Number of staff (current): 57.33 (Housing Needs); 3.4 (Strategic Housing)
 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 housing needs service is responsible for discharging the council's statutory duties in relation to housing advice, homelessness and housing allocations. The work of the strategic housing service supports the delivery of these statutory functions through the provision of new affordable housing
 2. Call-in: Applicable:
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): There are around 1,000 approaches to the housing needs service each month regarding housing related difficulties. Of these around 6,000 households per year present with imminent homelessness which requires in-depth casework intervention to assist in resolving homelessness. Around 430 new applications are received each month to join the housing register. There are approximately 750 households placed in temporary accommodation to whom the Council has a statutory rehousing duty under the homeless legislation.
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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 Summary of 2012-13 Performance:

The key priorities 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 specific needs and priorities within Bromley.

Progress against the specific 2012-13 housing performance targets are detailed in Appendices 1 and 2 of this report.

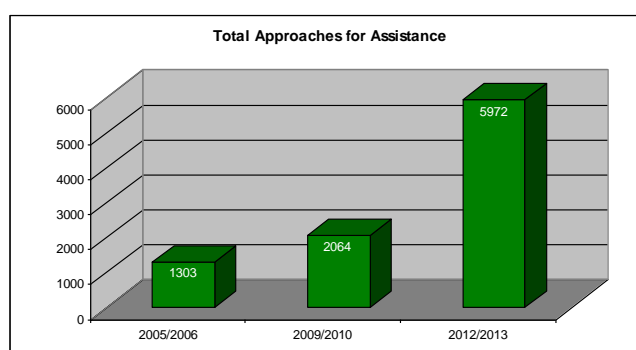
Overall Appendices 1 and 2 demonstrate that significant work has been undertaken to progress all priority areas. However, the continuing increase in statutory homeless approaches, together with the shortage of affordable accommodation supply and rising costs of accommodation, have impacted significantly on the number of households accommodated in temporary accommodation exacerbating budgetary pressures.

3.2 Key achievements of note for 2012/13 are:

- Homelessness directly resolved through either in-depth homelessness prevention casework assistance the provision of an alternative private sector housing solution found for 2,137 households.
- Launch of the new enhanced incentive scheme assisted in accessing an additional 194 units of accommodation directly diverting statutory homeless households from costly nightly paid temporary accommodation. Reducing budget pressures by around £1,368K (FYE)
- Implementation of the new allocations scheme reducing the number on the housing register from 7,931 to 2,532 to clearly focus on local residents with the highest levels of housing need which cannot be readily solved through an alternative housing options route.
- 65 social housing tenancies recovered through the social housing fraud initiative to enable use for newly emerging housing need.
- 233 new build affordable housing units were completed assisting the Council to meet statutory housing and social care duties.

3.3 Overview of current statutory housing need and supply

3.3.1 The level of statutory housing need and homelessness has risen dramatically during recent years, predominantly in response to complex economic factors and the ensuing impact on housing markets.

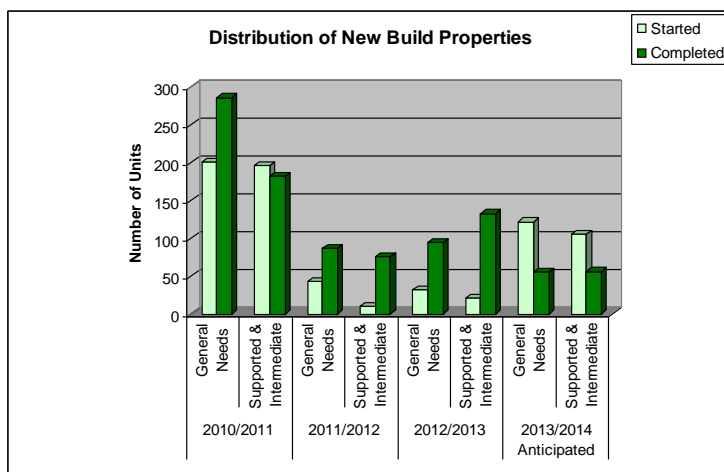


- 3.3.2 The highest area of increase has been from households facing eviction from the private rented sector, now accounting for more than a third of all homeless acceptances
- 3.3.3 Simultaneously, the supply of suitable, affordable accommodation of all tenures available to enable the Council to meet its statutory housing duties has reduced
- 3.3.4 This means that, despite the significant work undertaken by officers to prevent homelessness and find alternative housing options, the number of households to whom the Council owes a statutory rehousing duty under the homelessness legislation has risen, resulting in a dramatic increase in temporary accommodation placements over the past 2 years – increasing from 427 in April 2011 to 764 in April 2013.
- 3.3.5 The growing reliance upon temporary accommodation to meet increasing demand until permanent housing solutions become available is reflected across London as a whole. The level of increased demand for temporary and private rented accommodation across the region, together with high and rising private rents and restrictions on the housing benefit local housing allowance levels payable has resulted in an increased budgetary pressure for temporary accommodation, moving from a largely cost neutral position to one where there is a net cost to the Council for the majority of placements as these can often now only be secured on a costly nightly paid basis.
- 3.3.6 Considerable work has been undertaken during the past year to acquire alternative forms of more cost effective accommodation through invest to save enhanced incentive schemes to directly mitigate some of this pressure. This work assisted in securing around 200 additional units reducing the overall budgetary pressure by approximately £1.3million (FYE) leaving a net overspend of £1.2million for 2012/13
- 3.3.7 Projecting forward against the current number of households approaching for assistance and taking account of the current level of prevention and housing options work able to be achieved in the current economic and housing market, this would present an overall estimated FYE of £750k based on £1.5 million 2012/13 cost pressures following into 2013/14 less £1m growth plus further 6 new homeless people a month for rest of year.
- 3.3.8 The welfare reform changes now commencing are likely to have a further significant impact upon the overall level of housing need and ability to access accommodation. As implementation is still in the early phases, at this stage it is not possible to quantify the full potential impact, or indeed how the market may settle once fully implemented. However early analysis of the potential impact based upon the DWP estimates of the number of households affected suggest that the impact could result in an additional cost pressure in the region of £1million (FYE) for housing alone.
- 3.3.9 In addition, early indications from both housing association temporary accommodation providers and private landlords and agents are that they are reluctant to continue to work with the Council to take referrals when universal credit is introduced due to the increased financial risk in terms of no longer receiving benefit payments direct. In many cases, providers are asking for an increased risk share from the Council or increased management fees in order to continue to provide temporary accommodation. This means that the, already falling, local supply of temporary accommodation and suitable private rented housing is likely to fall further placing further strain on Council budgets.
- 3.3.10 Additionally, the impact of the Government's affordable rent policy which allows housing associations to charge up to 80% of market rents to fund new development programmes is starting to be seen.
- 3.3.11 Whilst housing associations have taken varying approaches to the level of rents charged within this new regime and also the volume of conversions of existing stock to affordable rents,

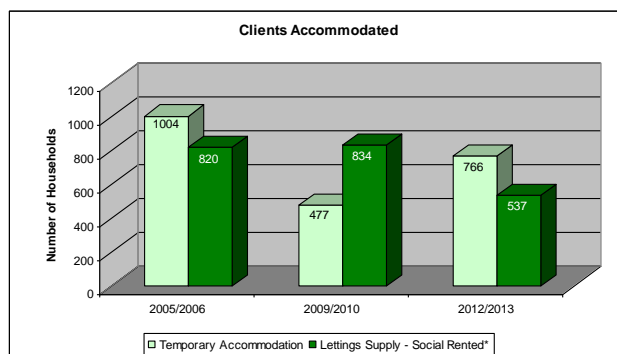
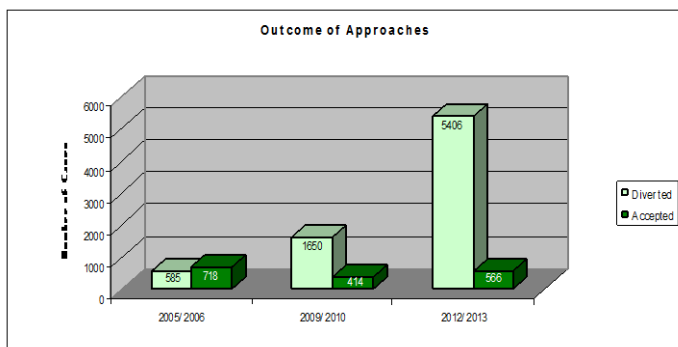
the majority of providers in the borough have adopted the affordable rents policy both for new build and a proportion of their existing stock and are in many cases now undertaking stringent affordability screening prior to accepting the nomination of a household from the housing register.

3.3.12 The consequences of this is that affordable rents, particularly family units are becoming increasing unaffordable to households whom the council has accepted a statutory homeless. This particularly affects working households on low incomes and also those who now fall within the new benefit caps. In light of this, the Council may wish to consider supporting the inclusion of social rented units in affordable housing provision in the future, although it should be recognised that the provision of units at social rents would normally adversely impact on viability and reduce the level of supply overall.

3.3.13 In terms of new affordable housing supply, with the average construction time for a new build development being approximately 18 months, the falling number of new-build affordable units starting on site during 2011/12 and 2012/13 is now translating into a reduction in affordable completions available to let.



3.3.14 In summary, the volume of statutory housing need against the overall lack of available, affordable housing supply within the Borough means that, despite the volume of homelessness prevention work being undertaken, the Council is having to place the majority of those accepted as statutorily homeless into high-cost temporary accommodation for long time periods until a permanent housing solution can be identified. Budget and service pressures are severe and this is only likely to increase further over the next few years particularly in light of the reduced level of new developments, impact of welfare reform and escalating rental prices.



3.4 Identified Key Priorities for 2013/14

3.4.1 The detailed local approach to addressing the homelessness and housing supply issues detailed above are set out within the Council's Homelessness Strategy 2012-17 and is

supported through the Portfolio Plan and wider strategic Housing Strategy which is being updated this financial year.

3.4.2 There is no single solution to the issues set out above and, as such, the priorities for 2013/14 cover a range of initiatives designed to address the level of statutory homelessness and mitigate the associated budgetary pressures as far as possible. These initiatives essentially fall into the following 4 categories:

Homelessness Prevention: Preventing as many households as possible from becoming homeless through robust and timely housing advice. Of key focus for 2013/14 will be to target intensive intervention work on the main causes of homelessness and in particular initiatives to reduce the level of homelessness occurring from the private rented sector and working with those households at risk of homelessness as a result of welfare reform.

Maximising access to the private rented sector: To work closely with landlords and agents to access private rented accommodation both inside and outside of the borough to assist in discharging our statutory homelessness rehousing duties where appropriate. A particular focus will be to work at both a local and regional level to expand the areas in which private rented sector accommodation can be accessed to offer a greater range of more affordable private rented accommodation to meet statutory housing need.

Increasing cost effective housing supply: exploring and implement a range of options that deliver a range of good quality temporary and permanent accommodation to meet our statutory rehousing duties and reduce the current reliance on costly nightly paid accommodation, for example by:

- (i) Increasing temporary accommodation supply to reduce the number of costly nightly paid placements. This will include the use of enhanced incentives to attract additional landlords together with further expansion of areas in which accommodation is acquired as appropriate.
- (ii) Exploring the feasibility of using vacant Council property assets for affordable purposes to deliver approximately 42 units including the proposed 38 units at Belle Grove.
- (iii) Using the housing capital programme/ payment in lieu funds to acquire approximately 5 additional properties for affordable purposes, ring fencing and recycling revenue back into the delivery of more affordable supply
- (iv) Working with housing association partners to secure external capital funding from Government agencies for the delivery of new developments that best reflect local housing requirements.
- (v) Providing gap-funding to housing associations to enable the delivery of new affordable housing and the retention of existing affordable supply that they may be seeking to dispose of.
- (vi) Ensuring that the Council's local planning policies are formulated and implemented to best reflect the tenure and size of affordable housing sought to meet statutory duties.

Making Best Use of the existing housing association stock: working with housing associations to ensure that the most efficient use of the existing stock is achieved to best meet statutory housing need through encouraging underoccupiers to move to smaller accommodation, promoting mutual exchanges and housing association lodging schemes, fixed term tenancies and tackling any potential housing fraud.

To support the new social housing fraud act, the Government has also made additional funding available for local authorities to tackle social housing fraud. Bromley has successfully bid for £200K over the next 2 years to work with Greenwich fraud team and housing association partners to tackle any incidents of social housing fraud in their stock within the borough, thus ensuring best use of the available stock to meet housing need.

Approval is now formally being sought to draw down this funding to commence the project. It is proposed that the funding is used to build on the earlier pilot to tackle fraud including:

- An intensive programme of training, skills development and support for housing associations
- A targeted audit programme of properties
- Data matching to identify potential fraud
- A time limited specialist investigating officer to work with each HA to maximise the number of audits undertaken and properties recovered.

Each participating housing association will sign up to an agreed terms of reference effectively setting out their tailored programme of training support and work. This will include agreed outcomes based on their specify stock and a commitment to achieving self sufficiency. There will also be a sub-regional element to coordinate the work across the region and improve intelligence and information sharing on potential fraud across boroughs.

3.4.3 The range of initiatives will offer a flexible targeted approached to tackling homeless. In all cases resources will be prioritised against those initiatives, which offer the greatest cost efficiency in terms of reducing the cost of nightly paid accommodation and fulfilling the Council's statutory rehousing duties. Overall it is estimated that these range of initiatives will increase access to more than 100 additional units of accommodation during 2013/4, in the main temporary and private rented sector accommodation. However it must be noted that, given the current level of housing need and situation in the housing market it is not possible to fully mitigate the current pressures. As such the initiatives are largely aimed at containing the situation and preventing further cost pressures arising.

4. POLICY IMPLICATIONS

4.1 Housing objectives are set out within the relevant Departmental business plans:

- Adult and Community Services Portfolio Plan Outcome 2 - 'Delaying and reducing the need for care and support in reducing the pressures on temporary accommodation'.
- Renewal and Recreation 2012-13 Business Plan Outcome 6 and Aim 6A 'Deliver a range of affordable housing options that meet local statutory housing needs and reduce budgetary pressures'.
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4.2 These objectives are compliant with the statutory framework within which the Council's Housing function must operate and incorporates both national targets and priorities identified from the findings of review, audits and stakeholder consultation.

4.3 The objectives also assist in achieving targets set out within Building a Better Bromley, objectives set out within the Housing Strategy (to be updated in 2013-14), Homelessness Strategy and draft Tenancy Strategy.

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 2015, the longer term future of grant funding is still unclear and, along with the changes to welfare benefits, 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 cost pressures from both temporary accommodation and welfare reform
- 5.3 The Council will utilise capital funds to support the delivery of priorities detailed within this report. As of May 2013, available capital funds are as follows:

	£m
Affordable Housing Payment in Lieu	3.2
Housing Provisions within capital programme	0.4
Total capital funds available	<u>3.6</u>

6. LEGAL IMPLICATIONS

- 6.1 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; to have a published Allocations Scheme, a Housing and Homelessness Strategy and a Tenancy Strategy.
- 6.2 Additionally, Housing Needs are a material planning objective. The National Planning Policy Framework 2011 states that, where there is a demonstrable lack of housing to meet local needs, planning authorities should include policies seeking provision of affordable housing on suitable sites. Saved policies H2 and H3 within the Council's adopted Unitary Development Plan address this requirement.
- 6.3 Where housing can not be delivered on site then Payment in Lieu contributions from developers provide funds to enable the Council secure affordable housing elsewhere in the Borough. The obligation for PIL is set out in agreements made under the provisions of section 106 Town and Country Planning Act 1990 which may include restrictions on when and how we can spend the PIL shall be spent. In line with the Town and Country Planning Act 1990, the Council has a legal obligation to spend PIL funds on delivering affordable housing.

Non-Applicable Sections:	Personnel
Background Documents: (Access via Contact	LB Bromley Homelessness Strategy 2012 – 2017 LB Bromley Tenancy Strategy 2013

Officer)	<p>LB Bromley Unitary Development Plan 2006 LB Bromley Affordable Housing Supplementary Planning Document 2008</p> <p>Renewal & Recreation Portfolio 2013-14 Business Plan EC&HS Department 2013-14 Portfolio Plan Payment in Lieu: Framework and Allocation Process (6th Feb 2013, Executive Committee) Addressing Rising Homelessness and Housing Need and Associated Budgetary Pressures (ACS11053)</p>
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