

**Decision Maker:** CARE SERVICES POLICY DEVELOPMENT AND SCRUTINY COMMITTEE

**Date:** Wednesday 22 January 2014

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

**Title:** HOUSING SERVICES PRIORTIES (MID YEAR UPDATE)

**Contact Officer:** Sara Bowrey, Assistant Director Housing Needs Service  
Tel: 020 8313 4013 E-mail: sara.bowrey@bromley.gov.uk

**Chief Officer:** Executive Director of Education, Care & Health Services

**Ward:** (All Wards);

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## 1. Reason for report

- 1.1 This report provides a summary of the key performance for the first half of 2013/14. It then goes on to provide an update on the current housing pressures being faced regarding rising housing need and temporary accommodation use and the key actions in place for the remainder of 2013/14 aimed at directly tackling the level of homelessness and temporary accommodation use.

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## 2. RECOMMENDATION(S)

- 2.1 Members of the Care Services Policy Development & Scrutiny Committee are asked to Note and comment on the performance against the key priorities in the 2013/14 Portfolio and work plans for these service areas; and note and comment on the priority actions as set out in paragraph 3.4 for the remainder of 2013/14 in response to the current housing pressures being experienced as detailed in the body of this report.
- 2.2 The Care Services Portfolio Holder is asked to agree the performance against the key priorities in the 2013/14 Portfolio and work plans for these service areas and the priority actions as set out in paragraph 3.4 for the remainder of 2013/14 in response to the current housing pressures being experienced as detailed in the body of this report.

## Corporate Policy

1. Policy Status: Existing Policy: Further Details
  2. BBB Priority: Supporting Independence
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## Financial

1. Cost of proposal: Not Applicable:
  2. Ongoing costs: Not Applicable:
  3. Budget head/performance centre: This report covers the work of the operational housing needs and strategic housing services
  4. Total current budget for this head: £3,149,930 approved controllable budget for operational housing. Strategic Housing £16,060 credit
  5. Source of funding: Education, Care & Health Service approved 2013/14 Revenue Budget (supporting people, homelessness DCLG grant, social housing fraud grant, welfare transitions grant and £1m contingency for homelessness pressures); Affordable housing payment in lieu: £2.4m unallocated. LB Bromley housing provisions budget £380K.
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## Staff

1. Number of staff (current and additional): 57.33 FTE (housing needs); 2.0 FTE (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 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: Not 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. Around 430 new applications are received each month to join the housing register. Housing advice and options casework intervention is required to affectively discharge the council's statutory functions in relation to homelessness prevention and rehousing duties. There are currently approximately 850 households placed in temporary accommodation to whom the council has a statutory housing duty under the homelessness legislation.
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## Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable

2. Summary of Ward Councillors comments: N/A

### **3. COMMENTARY**

#### **3.1 Summary of 2013-14 mid-year performance:**

3.1.1 The key priorities for 2013/14 were designed to fulfil both the Council's statutory duties and key targets in respect of housing, whilst ensuring that these are tailored to address local specific needs and priorities within Bromley.

3.1.2 Progress against the specific 2013/14 housing performance targets are detailed in Appendices 1 and 2 of this report.

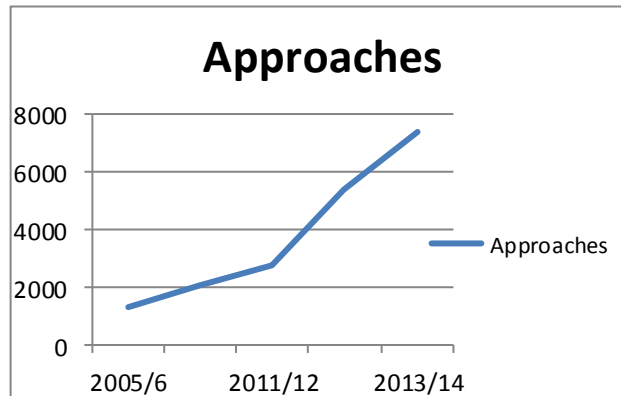
3.1.3 Overall Appendices 1 and 2 demonstrate that significant work has been undertaken to progress all priority areas, particularly in relation to the level of homelessness prevention work. However, the continuing high volume of statutory homelessness and emerging impact of welfare reform, together with 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 the first half of 2013/14 are:**

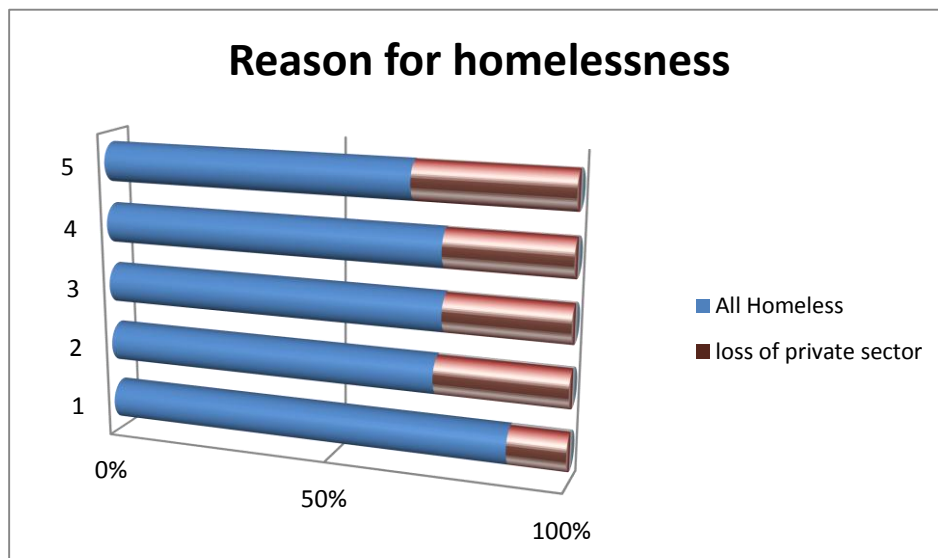
- Homelessness directly resolved through either in-depth homelessness prevention casework assistance or access to alternative private sector housing solutions for 974 households. The comparative cost of homeless acceptances and temporary placements would equate to up to an additional budget pressure of £3.5m
- Enhanced incentives have assisted in accessing an additional 84 units of accommodation directly diverting statutory homeless households from costly nightly paid temporary accommodation. Reducing budget pressures by around £614,000
- 23 social housing tenancies recovered through the social housing fraud initiative to enable use for newly emerging housing need.
- Joint working arrangements developed to advise and support households affected by the latest tranche of welfare reforms. This working model has have assisted more than 100 households affected by the benefit cap back into work, 12 households affected by the cap to move to more affordable private sector housing and 59 households affected by the bedroom size criteria to transfer to smaller accommodation.
- 95 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**

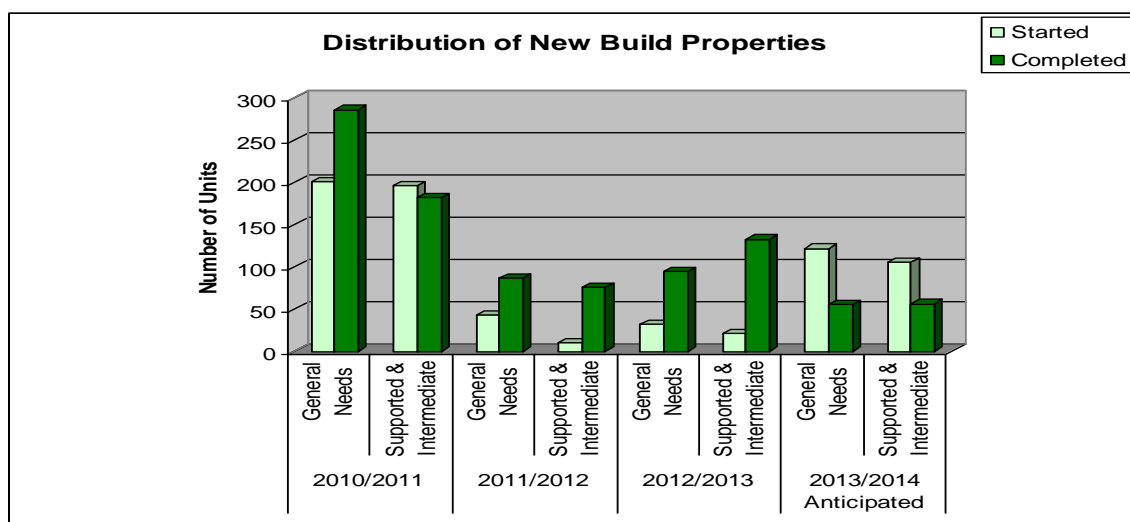
3.3.1 The volume of households approaching faced with homelessness has risen dramatically during recent years, predominantly in response to complex economic factors and the ensuing impact on housing markets.



3.3.2 The highest area of increase has been from households facing eviction from the private rented sector which has increased year on year since the implementation of the first tranche of welfare reform changes and now accounts for more than a third of all homeless acceptances. The significant increase in loss of private sector accommodation echoes the welfare reforms changes during these years with the 2 main increases reflecting the reduction in LHA levels in 2011 and recent benefit cap in 2013, the impact of which is now starting to be reflected in the numbers approaching with housing related difficulties.

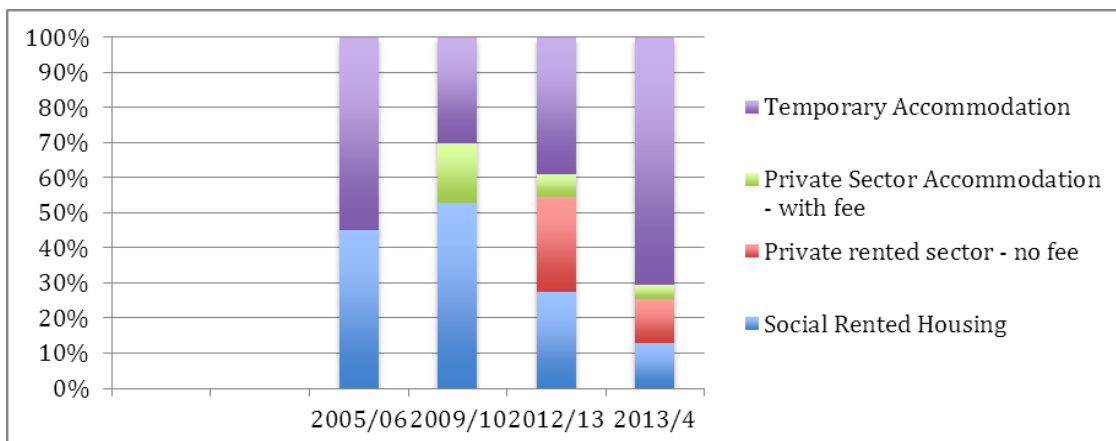


3.3.3 Simultaneously, the supply of suitable, affordable accommodation of all tenures available to enable the Council to meet its statutory housing duties has reduced.



- 3.3.4 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.
- 3.3.5 This means that, despite the significant work undertaken by officers to prevent homelessness and find alternative housing options – diverting around 90% of initial approaches from statutory homelessness and temporary accommodation, the number of households to whom the Council owes a statutory rehousing duty under the homelessness legislation placed in temporary accommodation has continued to rise, increasing from 427 in April 2011 to 850 by the end of September 2013.
- 3.3.6 The growing reliance upon temporary accommodation to meet increasing demand until permanent housing solutions become available is reflected across London as a whole. The cost of securing accommodation to meet the council's statutory duties has risen dramatically against the benefit subsidies that can be claimed resulting in approximately a 2000% increase in costs since 2010. This is due to a combination of factors including the level of increased demand for temporary and private rented accommodation across the region, high and rising rental prices - increasingly in excess of the now reduced housing benefit local housing allowance levels payable and reduced supply of affordable housing nominations through re-lets and the number of new build units. These factors have resulted in an increased budgetary pressure for temporary accommodation, moving from a largely cost neutral temporary accommodation (TA) budget position to one where the majority of TA placements can now only be secured on a nightly paid basis (NPA) at a net cost to the council.
- 3.3.7 Considerable work has been undertaken during the past year to acquire alternative forms of more cost effective accommodation through enhanced incentive schemes to directly mitigate some of this pressure. This work has assisted in securing 84 additional units in the first half of 2013/14 reducing the overall budgetary pressure by approximately £614,000 (FYE).
- 3.3.8 The report to this Committee and the Executive in October 2013 provided detailed profiling of the current and projected pressures through to 2016/17. This profiling showed an in year pressure of £1.1m (full year effect £1.6m), with potential additional pressures rising to £3.7m by 2016/7. The report further detailed a series of actions being undertaken by the housing needs and strategic housing services designed to contain, and where possible reduce pressures through continued homeless prevention and initiatives to increase access to more cost effective housing options. Alongside these initiatives approval was given for additional contingency sums to be set aside in relation to the pressures which are unlikely to be able to be mitigated given the current relationship between housing need and housing supply market conditions.
- 3.3.9 The report further set out the current volatility of the situation and difficulty in profiling with any certainty into the longer term particularly in light of the current housing market, uncertainty over future bidding rounds for housing associations to develop new build schemes, the impact of affordable rents regime and the forthcoming changes in relation to universals credit.
- 3.3.10 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 forthcoming 2014-17 Housing Framework which is currently in production and will be made available for public consultation in the Q4 (2013-14).

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. Detailed below are the key priority actions being progressed during the second half of 2013/4:

**a. Homelessness Prevention:** Preventing as many households as possible from becoming homeless through robust and timely housing advice. The priority areas being:

- o Focusing on the main areas of homeless increases: Proactive intervention to reduce the level of homelessness occurring from the private rented sector and reviewing and enhancing the role of debt advice.
- o Focused work with those affected by the benefit cap to prevent homelessness or assist to secure alternative housing.
- o Developing a sub-regional protocol with housing associations for support and advice provision for those affected by the latest tranche of welfare reforms to reduce the risk of homelessness, particularly for those engaging in resolving the situation through access to training, employment, downsizing and so on.

**b. 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:

- o Publicity campaign and landlords fair to encourage private landlords to increase access to the private rented sector.
- o Continued review and promotion of enhanced incentives to increase access to the private rented sector.
- o Working across the south east sub-region to develop and promote the ‘out of borough’ pilot scheme.

**c. 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:

- Continued promotion of enhanced incentives to increase the acquisition of leasing scheme properties through our partner providers.
- Completion of the refurbishment at Bellegrave to offer 38 new units of temporary accommodation. Continue to exploring the feasibility of using vacant Council property assets for affordable purposes.
- Using the housing capital programme/ payment in lieu funds to acquire 5 additional properties for affordable purposes, ring fencing and recycling revenue back into the delivery of more affordable supply
- 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.
- Providing gap-funding to housing associations to enable delivery of new affordable housing and the retention of existing affordable supply that they may be seeking to dispose of.
- 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.

**d. 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 under occupiers to move to smaller accommodation, promoting mutual exchanges and housing association lodging schemes, fixed term tenancies and tackling any potential housing fraud:

- Developing a joint housing protocol with local housing providers setting out common goals and agreed minimum standards in relation to matters such as stock management and maintenance, tenancy sustainment, property disposals and rental conversions, a commitment to the objectives within our forthcoming Housing Framework and other local policies such as the common allocations scheme.
- Roll out of the social housing fraud initiative to make full use of the new powers and grant funding secured to identify and tackle social housing fraud.
- Working with housing associations to mitigate the potential impacts of increased homelessness as a result of the benefit cap and bedroom size criteria, through advice and assistance, effective use of the discretionary housing payment fund to assist households whilst they pursue options to resolve their situation.

3.4.3 The range of initiatives will offer a flexible targeted approach 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 by the end of 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 portfolio and business plans:
- 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 forthcoming 2014- 17 Housing Framework, 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 DCLG grant funded. In 2013/14 a small additional grant has been provided to assist in mitigating the impact of the latest housing benefit changes. 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 £1.6m (FYE). 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 December 2013, available capital funds are as follows:

	£
<b>(1) Payment in Lieu Fund</b>	
Allocated	1,830,600
Unallocated	2,426,100
<b>(2) Housing Capital Fund</b>	
Unallocated	380,000

- 5.4 Members are advised that the c.£2.4m unallocated Payment in Lieu funds indicated in the table above must be spent by 2017. Officers are currently appraising a range of ways that these funds may be spent in order to assist the Council in meeting its statutory housing duties and these will be presented to Members in due course. Decisions as to how unallocated PIL funds are used are taken by the Executive Committee.
- 5.5 A detailed 2013-14 PIL Annual Report will be provided to the Care Services Committee and Executive Committee in Q1 2014-15.

## 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 cannot 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.

<b>Non-Applicable Sections:</b>	Personnel
Background Documents: (Access via Contact Officer)	<p>LB Bromley Homelessness Strategy 2012 – 2017</p> <p>LB Bromley Tenancy Strategy 2013</p> <p>LB Bromley Unitary Development Plan 2006</p> <p>LB Bromley Affordable Housing Supplementary Planning Document 2008</p> <p>Renewal &amp; Recreation Portfolio 2013-14 Business Plan</p> <p>EC&amp;HS Department 2013-14 Portfolio Plan</p> <p>Payment in Lieu: Framework and Allocation Process (6<sup>th</sup> Feb 2013, Executive Committee)</p> <p>Addressing Rising Homelessness and Housing Need and Associated Budgetary Pressures (ACS11053)</p> <p>EC&amp;HS PDS &amp; Executive report October 2013 – homelessness pressures and contingency draw down.</p>