

Decision Maker: Care Services PDS Committee

Date: 26th June 2014

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

Title: HOUSING SERVICES 2014 -15 PRIORITIES

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Ward: All Wards

1. Reason for report

This report provides a summary of the key performance outturn for 2013/14. It then goes on to provide an update of the current housing pressures faced in relation to rising housing need and temporary accommodation use and the key priorities for 2014/15.

2. RECOMMENDATION(S)

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

- a) Note the performance against the key priorities in the 2013/14 Portfolio and work plans for these service areas;
- b) Note the priorities as set out in paragraph 3.4 for 2014/15 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: 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: Not Applicable: Further Details
 2. Ongoing costs: Not Applicable: Further Details
 3. Budget head/performance centre: This report covers the work of the operation housing needs and strategic housing services
 4. Total current budget for this head: £3,714,740 approved controllable budget for Operational Housing. Strategic Housing £14,240 credit
 5. Source of funding: Education & Care Services approved 2013/14 Revenue Budget (supporting people, homelessness DCLG grant, welfare reform grant and £1m contingency for homelessness and temporary accommodation pressures); Affordable Housing Payment in Lieu Budget as of 31.5.14 £3.361million unallocated
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Staff

1. Number of staff (current): 57.33FTE (Housing Needs); 2FTE (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: Not Applicable
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): There are around 10,000 approaches across the housing needs annually regarding housing related difficulties. Of these around 6,000 households 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 850 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: N/A

3. COMMENTARY

3.1 Summary of 2013-14 Performance:

The key priorities for 2013/4 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 2013/4 housing performance targets are detailed in Appendices 1 and 2 of this report.

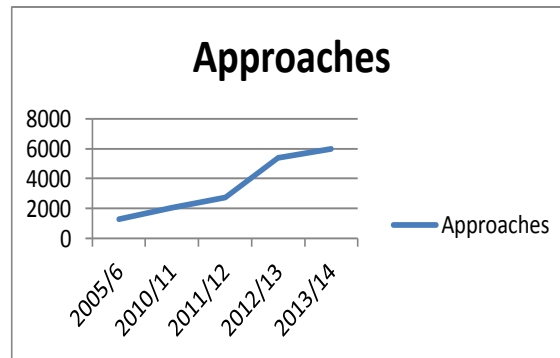
Overall Appendices 1 and 2 demonstrate that significant work has been undertaken to progress all priority areas, particularly in relation to the level of homelessness prevention work. However, the continuing high volume of statutory homelessness and emerging impact of the latest tranche of welfare reform, 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 2013/4 are:

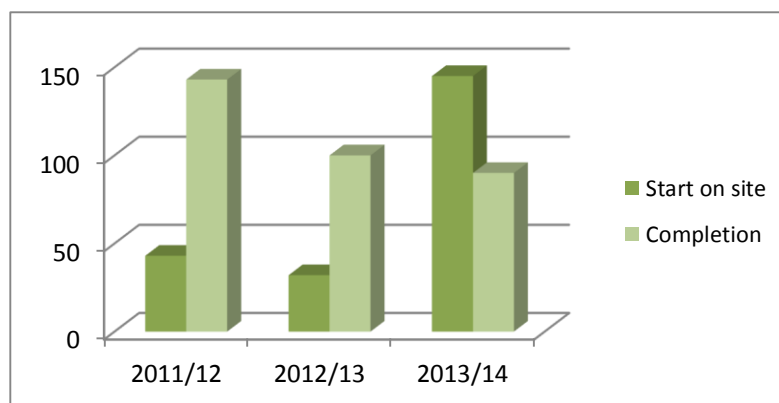
- Homelessness directly resolved through either in-depth homelessness prevention casework assistance or access to alternative private sector housing solutions for more than 2,000 households. The comparative cost of homeless acceptances and temporary placements for these households would equate to up to an additional full year budget pressure of £8.2million based on current average temporary accommodation costs.
- Enhanced incentives have assisted in accessing an additional 132 units of long term temporary accommodation directly diverting statutory homeless households from costly nightly paid temporary accommodation. This includes the refurbishment of the Bellegrove site to provide additional good quality cost effective temporary accommodation units.
- Piloting property a nightly paid block booking arrangement for 15 units achieving an annual saving of £29,000 against current average nightly paid costs.
- 38 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 reform assisting more than 200 households to resolve the potential shortfall in benefits resulting from the new benefit cap and bedroom size criteria.
- 151 new build affordable housing units were completed assisting the Council to meet statutory housing and social care duties.
- Five 2 bed properties were acquired using housing capital funds in order to assist the Council in meeting its statutory housing and homelessness 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. The Table below shows the continued increase in approaches.



- 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.
- 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. The table below provides details of new general needs affordable rent supply during 2013-14



- 3.3.5 In summary, this means that, despite the significant work undertaken by officers to prevent homelessness and find alternative housing options, diverting around 90% of initial approaches, the number of statutory homeless households having to be accommodated in temporary accommodation has continued to rise, increasing from 427 April 2011 to 824 in April 2014.
- 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 invest to save enhanced incentive schemes to directly mitigate some of this pressure. This work assisted in securing 132 new temporary accommodation units as a direct alternative to costly nightly paid accommodation and directing 614 households to private rented sector accommodation thus avoiding the need for temporary accommodation placements.
- 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, the cumulative impact of welfare reform, uncertainty over future development of new build schemes, the impact of affordable rents regime and the forthcoming changes in relation to universal credit.
- 3.3.10 In summary, the volume of statutory housing need against 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 considerable periods of time 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 property and rental prices.

3.4 **Identified Key Priorities for 2014/15**

- 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 will be made available for public consultation shortly.
- 3.4.2 There is no single solution to the issues set out above and, as such, the priorities for 2014/15 cover a range of initiatives designed to address the level of statutory homelessness and mitigate the associated budgetary pressures as far as possible. Set out below are the key priority actions for 2014/15:

Homelessness Prevention: Preventing as many households as possible from becoming homeless through robust and timely housing advice fully utilising the range of prevention tools and grants available. The priority areas being:

- Focusing on the main areas of homelessness increases: Proactive intervention to reduce the level of homelessness occurring from the private rented sector and enhancing the role of debt advice.

- Focused work with those affected by the benefit cap to prevent homelessness or assist to secure alternative housing.
- Working with housing associations to ensure adherence to the sub-regional protocol to reduce the level of potential homelessness arising from the latest tranche of welfare reform and increasing the number of households entering employment.

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.:

- Publicity campaign and landlords event to increase access to private sector accommodation
- Working 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.
- Continued review and promotion of enhanced incentives to attract new landlords

Increasing cost effective housing supply: explore 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 cost effective leasing scheme units through our partner providers..
- Exploring the feasibility of using surplus Council properties for affordable housing and temporary accommodation purposes.
- Using payment in lieu funds to secure additional properties for affordable purposes
- Working at a sub-regional and pan London level to jointly seek to tackle rising nightly paid rates and to seek to promote more cost effective block booking solutions.
- 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 the 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 maximise affordable housing provision in line with policy requirements and 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 by:

- Encouraging underoccupiers to move to smaller accommodation
- Promoting mutual exchanges and fixed term tenancies,

- Tackling any potential housing fraud by making full use of new legislative powers and social housing fraud grant funding available to housing associations
- 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 & maintenance, tenancy sustainment, property disposals and rental conversions, a commitment to the objectives within the Council's tenancy Strategy and the forthcoming Housing Framework and other local policies such as the common allocations scheme.
- Implementing joint protocols and agreed standards to minimise the potential rise in homelessness resulting from the implementation of welfare reform measures relating the benefit cap and bedroom size criteria.

3.4.3 The range of initiatives will offer a flexible targeted approach to tackling homelessness. 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 Portfolio and business plans
- 4.2 The 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 reviews, 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 homelessness prevention, social housing fraud and housing options work is DCLG grant funded. In 2013/14 a small additional grant was provided to assist in implementing the latest welfare reform 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 estimated pressures of £1.2m in 2014/15 rising to £4.8m in 2017/18. £1.2m is being held in contingency in 2014/15 and can be drawn down with the approval of the Executive. 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 31st May 2014, available capital funds are as follows:

	£
(1) Payment in Lieu Fund	
Allocated	£1.11m
Unallocated	£3.36m
TOTAL	£4.47m

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 County 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 Officer)	<p>LB Bromley Homelessness Strategy 2012 – 2017 LB Bromley Tenancy Strategy 2013 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 Allocation of Affordable Housing PIL Funds – Care Services Committee, 4th September 2012 Payment in Lieu: Framework and Allocation Process (6th February 2013, Executive Committee) Affordable Housing PIL Fund: Capital Funding Bid- 13th March 2013, Executive Committee Residential Property Acquisitions: Capital Funding Proposal- 24th July 2013, Executive Committee Addressing Rising Homelessness and Housing Need and Associated Budgetary Pressures (ACS11053) EC&HS PDS and Executive report October 2013 – Homelessness pressures and contingency draw down.</p>