

SLOUGH BOROUGH COUNCIL

REPORT TO: Cabinet **DATE:** 18th October 2010

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WARD(S): All

PORTFOLIO: Neighbourhoods and Renewal – Councillor Swindlehurst

PART I **NON-KEY DECISION**

REPORT ON CHOICE BASED LETTING AND HOMELESSNESS STRATEGY IMPLEMENTATION

1. Purpose of Report

To advise members of the current situation regarding the introduction of an 'advert and bid' choice based letting system and to seek approval for the proposed course of action. To advise Members on the progress of delivering the Homelessness Strategy and an update on homelessness and related issues for 2009-2010

2. Recommendation(s)/Proposed Action

The cabinet is requested to resolve:

- (a) That the implementation of an advert and bid approach to letting social housing be postponed.
- (b) That the minor changes to the housing register as outlined in para 5.21 be adopted
- (c) That Officers may apply discretion to offer tenants of under occupied homes, of four bedrooms and larger, incentives to exchange by varying the existing tenants incentive scheme (Para 5.17 refers)
- (d) That the progress made in preventing homelessness be noted (Para 5.11 refers)

3. Community Strategy Priorities

Decent, settled housing can add years to life, create a sense of well being and provide the basis from which people can thrive, being and feeling safe

4. Other Implications

(a) Financial

There are no financial implications in this report however the cost of homelessness can be evidenced as greater than the measures applied to prevent it

(b) Risk Management

Recommendation	Risk/Threat/Opportunity	Mitigation(s)
Postpone advert and bid	There are no sanctions which can be imposed by not advertising all of the social housing vacancies in the borough. The current process has made significant improvements void times	The council's housing register and allocations scheme is compliant with current legislation.
Ensure supply of and access to housing remains a priority	Increased demand on the housing register may lead to an increase in homelessness if households have a longer wait for affordable and decent housing.	Some households may not renew their applications' once the recession ends provided other housing options are available in the market.
	Reduced homelessness has lead to savings in the provision of temporary accommodation. As a corporate initiative the strategy encourages joint working across services, statutory and voluntary. Recession may lead to increase in homelessness due to financial hardship	Investing in prevention is more cost effective than investing in temporary accommodation for homeless households
Maintain preventative approach to reduce costs	Current economic climate may impact on the councils ability to prevent homelessness and tackle housing need	There is clear evidence that early intervention and prevention reduces costs as well as homelessness

(b) Human Rights Act and Other Legal Implications

There are no Human Rights Act implications

(c) Equalities Impact Assessment

An initial screening has been undertaken and there is no negative impact on any sector of the community

5. **Supporting Information**

Choice Based Letting

- 5.1 The council's housing register and allocations scheme prioritises households for permanent social housing based on their assessed need and the date of application i.e. waiting time. It is a transparent and accessible process.
- 5.2 The Housing Act 1996 which provided for the allocations of social housing was amended by the Homelessness Act 2002 to include the following clause under 167(A1) 'The (allocations) scheme shall include the authority's policy on offering people who are to be allocated housing accommodation
 - (a) a choice of housing accommodation or
 - (b) the opportunity to express preferences about the housing accommodation to be offered to them.
- 5.3 The Government document of 2008, Allocation of Accommodation: Choice Based Lettings, code of guidance for Local Housing Authorities states that the then Secretary of State's view was that all local authorities should offer a choice of accommodation and that this was best achieved by advertising available social housing vacancies. A target date of 2010 was set by which all local authorities were advised they should have an advert and bid scheme in place.
- 5.4 In essence an advert and bid scheme requires the Local Housing Authority to advertise vacant properties through a range of chosen media e.g. websites magazines etc. The properties advertised may be labelled, e.g. suitable for someone over 60 years of age; suitable for a family with 3 children etc. Prospective tenants can then 'bid', or express an interest in a particular property by telephone, post or electronically through the web. Selection of the prospective tenant would be based on the same principles as the current approach, that is; their priority banding on the housing register, length of time on the housing register, best use of the property. The principles of selection are the same as the Council's current scheme and the only difference is that prospective tenants approach us expressing their interest of a specific advertised property.
- 5.5 The current government's view is that whilst the previous government set a target for all local authorities to implement a choice based advert and bid scheme by the end of 2010, this has no statutory or regulatory force. Local authorities are encouraged to develop local responses on social housing which best reflect their local circumstances, whilst continuing to ensure that the priority for social housing goes to the most vulnerable in our society.
- 5.6 There are therefore no legal sanctions imposed by the previous or current government on local authorities who do not advertise their empty homes and except for this point, we are already compliant with legislation and meeting local need. A delay in implementation of the new housing IT system and the onset of proposed public sector financial restrictions has led to a reconsideration of an advert and bid scheme in Slough. Officers are recommending a postponement until the council's financial position is clearer

and the new housing IT system is fully functional. At which point a review of the merits of advertising vacant homes will be undertaken.

- 5.7 The initial cost of an IT module to facilitate an advert and bid scheme is in the region of £75,000. There is evidence from some local authorities that advert and bid led to a period of increased void times and loss of rental income as a result.

Homelessness

- 5.8 The Homelessness strategy and implementation plan were adopted by Cabinet in September 2009 and remains effective until 2011. The terms of The Homelessness Act 2002 required all local authorities to have a strategy for dealing with homelessness. Homelessness is not just a housing issue and a number of key services are required to contribute to its implementation in order to successfully reduce homelessness and the drivers which cause it.
- 5.9 The implementation plan is at Appendix 1 and has been updated in August 2010 to show progress. Some tasks and completion dates are still to be confirmed whilst many tasks are underway or successfully implemented.
- 5.10 Implementation Plan Update

Since December 2009 we have:

- Prepared for an advert and bid choice based letting scheme
- Successfully bid for a further grant from CLG to retain our pathfinder status for tackling severe overcrowding.
- Commissioned Housing Quality Network to undertake research on overcrowding and the use of options
- Offered alternative housing options to 100% of known overcrowded households
- Launched a new incentive scheme for under occupying social housing tenants
- Achieved a low level of homelessness through prevention measures
- Reduced the number of households living in temporary accommodation to below 100
- Prevented 491 incidents of homelessness
- Received funding from the Department of Community and Local Government (CLG) to commission a specialist service to help re-connect Eastern Europeans who are rough sleeping and squatting while also providing shelter through the most severe weather.
- Let 218 private homes to households who might otherwise face homelessness and commit the council to funding expensive temporary accommodation and exceeded our target
- Closed both shared facility hostels and re provided 14 affordable homes on one site
- Launched the landlords forum and held four events
- Commissioned HQN from the overcrowding grant to develop an empty homes strategy, aiming to bring these back into use.

- Improved the process for selecting a new social housing tenant in consultation with RSLs and housing services
- Established an effective voids working group with housing services and a significant reduction in void times
- Developing a protocol with Childrens Services for the joint assessment of homeless children

Statutory Homelessness

- 5.11 Homelessness approaches have fallen significantly since 2003 when the first homelessness strategy was implemented. However between 2009 and 2010 the number of approaches /decisions increased by 120 which we believe to be recession led. Despite this, the preventive measures we apply meant only 55 households were owed the main statutory (and most costly) duty. The number of households found not homeless is as a result of them accepting an alternative option after they had applied as homeless. See Table 1

Table 1 - Comparison of homelessness approaches

Homeless decisions	2002/3	2008/9	2009/10
Accepted	230	65	55
Intentional	66	46	34
No priority need	40	19	29
Not homeless	81	34	152(z)
Not eligible	6	4	15
Total Decisions	426	168	285
Number in Temp Accomm	316	118	97

- 5.12 Table two shows comparative data between the first and last quarter of 2009/10. The impact of the recession can be seen clearly as the number of homeless cases caused by arrears in both rented and mortgaged homes has increased along with incidents of homelessness as a result of domestic violence

Table 2 - Comparison of causes of homelessness

	1st qrt 09/10	4th qrt 09/10
Parental eviction	15	14
RSL/LA arrears	2	1
Private sector arrears	0	5
Mortgage arrears	1	6
Domestic Violence/ relation b-down	5	8
End of short hold tenancy	5	3
Left institution (rehab/hosp/prison /care etc)	6	3
Loss due to fire /emergency	3	2

NFA/Rough sleeper	2	4
Other	4	0

- 5.13 Since October 2009 mortgage lenders are required to notify the Local Authority for the area where they have commenced proceedings to repossess a home. Since introduction we have received 150 notifications of proceedings to evict home owners. Outright possession leading to eviction has not been granted on the majority of these yet. As the recession continues and if forbearance measures are withdrawn or reduced many of these households may seek assistance from the Local Authority

The Cost of Homelessness

- 5.14 In order to reduce homelessness and tackle the housing need which can lead to homelessness we have developed a range of options. Customers are advised of these in a solution based approach and supported to achieve satisfactory outcomes.

Table 3 Indicative Cost of Homelessness Prevention and Staffing

Annual cost of one agreed homeless household incl staff costs	Mediation	Deposit guarantee scheme (inclusive staff costs)	Discretionary housing payment per household	Resettlement staff costs per household	Staff costs; all homelessness	Staff costs; all prevention
£3,036	£600	£320	£480	£462	£347	£386

- 5.15 Table three shows indicative figures which are not audited but never the less demonstrate the cost effectiveness of preventing homelessness through some of the options we offer and compares these to the cost of one homeless household in temporary accommodation for a year.
- 5.16 Average waiting times for permanent rehousing is increasing as demand grows and a household could cost the council as much as £15,000 from the time of the homelessness decision to rehousing, spending up to 5 years in temporary accommodation. The demand of housing far outweighs the supply and completed new builds were only in the region of 80 to 90 units in the last financial year.
- 5.17 In order to maximise supply, members are asked to agree to a policy of officer discretion to incentivise the release of large under occupied in demand units as an extension of the existing tenants incentive scheme 'Money to Move' The discretion sought is a variation of the approved tenants incentive scheme to;
- Provide financial incentives to under -occupying households of 4 ,5 and six bedroom homes within the existing limits of the approved incentive scheme
 - To remove the age criteria of under occupiers of 4, 5 and 6 bedroom homes
 - To offer under occupiers of 4,5 and 6 bedroom homes accommodation which may be larger than 1 bedroom but smaller than that which they currently occupy

This is subject to the under occupied property being in demand

- 5.18 Overall the housing teams prevented 491 incidents of homelessness last year. The cost of these if homeless had occurred and the council provided temporary accommodation, would have been in the region of £1.5 million a year.
- 5.19 There is already evidence that the incidences of homelessness are increasing during the recession. In addition to this pressure the CLG homelessness advisors have estimated that around 2,500 households in Slough could be negatively affected by the changes in housing benefit regulations due for implementation next year.
- 5.20 The 'rent cap' due for implementation in London may pose a risk to Slough's housing supply. Neighbouring London authorities may seek cheaper housing solutions for their clients in this borough and encourage hostile procurement of private rented accommodation for use as temporary accommodation to place their homeless households.

Policy Changes to Lettings Scheme

- 5.21 There are a number of small policy changes to the scheme that members are asked to consider:
 - (a) Serving members of Her Majesty's armed forces are no longer required to renew their application annually. Looked after children and relevant children within the meaning of the Childrens Act s no longer need to renew their application annually. These children are the responsibility of the Local Authority and their housing need is a given.
 - (b) People with learning disability who are receiving long term support from adult social care no longer need to renew their applications annually..
 - (c)Households who are in Band D (very low priority e.g. out of borough adequately housed owner occupiers etc will be advised they will not receive an offer and provided with alternative options and invited to re apply in the light of that information. There are in the region of 1300 households in this Band. They are unlikely to receive an offer but officer time is taken in registering renewing and acknowledging their application
 - (d) Households in Bands A,B & C should now renew their application every two years instead of every year .
- 5.22 The reasons for these proposed changes are to recognise the different priorities in the lives of serving forces many of whom may be overseas. The Local Authority has a responsibility for those in our care and as such the responsibility for ensuring their housing needs are met rests here. Households in Band D receive a low priority and are unlikely to be made an offer of housing yet considerable times is spent assessing, inputting and corresponding with households in this category. Changing the renewal period will save officer time and reduce postal and printing charges.

Lettings Plan

- 5.23 Each year members agree a lettings plan which sets the quota of lettings to each Band. There are four bands A to D. Bands A & B receive the most offers as they contain households in greatest or most urgent need with a smaller quota to Band C applicants and none to Band D applicants. It is proposed that the current lettings plan is extended until March 2011.
- 5.24 Just over 700 affordable homes, ours and those of RSLs, were let in the year along with 200 private rented homes and 14 households are in process of moving under the new tenants incentive scheme.
- 5.25 We have recently joined Home Swapper a national exchange data base, 311 households from Slough registered in the first year and 6 exchanges have taken place
- 5.26 The lettings for 2009 2010 are at Appendix 2

Rough Sleeping

- 5.27 The CLG have recently consulted on new guidelines for counting rough sleepers. The proposal enables Local Authorities to rely more on local intelligence and where a count is undertaken the times and criteria may change.
- 5.28 The number of rough sleepers in Slough remains consistently low to zero amongst those who are eligible for public funds. In response to an increasing number of rough sleepers from Eastern Europe, the community safety team and housing sought funding from CLG to commission a specialist service to assist this group off the streets. The service is known as Barka (lifeboat in Polish) and commenced work in Reading and Slough in July. They are working with the cooperation of the police and UK border agency. To date they have successfully reconnected four people to their country of origin

Overcrowding

- 5.29 Severe overcrowding is a homelessness issue. The Government has identified Slough as a pathfinder in tackling severe overcrowding in the social housing sector and provided funding to enable us to carry out the strategy. As a result of our strategy, approved by Cabinet in September 2009 we have reduced severe overcrowding by 58% and all severely overcrowded households have been offered a housing option to improve their circumstances.
- 5.30 HQN are currently undertaking a survey, on our behalf, of households on the register to assess the actual impact of overcrowding and the remedies which customers consider to be viable. Linked to this work is an revised Empty Homes Strategy and the new under-occupiers incentive scheme.

6. Comments of Other Committees

The homelessness strategy has been approved by Cabinet in September 2009. This report was considered by the Neighbourhood and Renewal Scrutiny Panel at its meeting on 15th September 2010. The Panel recommended that Cabinet approve the changes to the policy.

7 Conclusion

- 7.1 There has been a significant increase in demand for affordable housing since 2007. As of 31st March 2010 there were 5,395 households registered for housing compared to 3900 in 2007. Of these, 2,600 are in significant housing need. Households joining today will face a much longer wait for rehousing as the supply is not increasing at the same pace. Some initiatives to tackle this include; focusing on preventing homelessness and reducing evictions, bringing empty homes back into use, supplementing our own housing supply by promoting the use of the private sector, ensuring good relationships with good landlords and making our private letting scheme attractive and viable to landlords. Tackling under occupation sensitively and ensuring our own homes and those of housing associations are let quickly and appropriately

8. Appendices Attached

Appendix 1 - Housing Strategy Implementation Plan Nov 09 update.-

Appendix 2 - Social Housing allocations

Appendix 3 - Registered Housing Demand

9. Background Papers

Homelessness Act 2002

Allocation of Accommodation: Choice Based Lettings code of guidance for Local Housing Authorities