



**Cabinet
27 June 2016**

**Report from the Strategic Director of
Community Wellbeing**

For Action

Wards affected: ALL

**Housing Supply and Demand – Homelessness, Allocations,
and Social Lettings**

1. Summary

- 1.1 This report provides an analysis of housing supply and demand issues, including performance in 2015/16 and challenges for 2016/17 onwards..
- 1.2 The report recommends that the allocation of 71% of social housing lettings to homeless households in 2016/17.

2. Recommendations

That Cabinet:

- 2.1 Note the analysis of affordable housing supply and demand issues, including performance in 2015/16 and challenges for 2016/17 onwards.
- 2.2 Agree the target proportion of social lettings for 2016-17 for homeless, housing register and transfer applicants as set out in paragraph 6.14 in the main body of this report.

3. Introduction

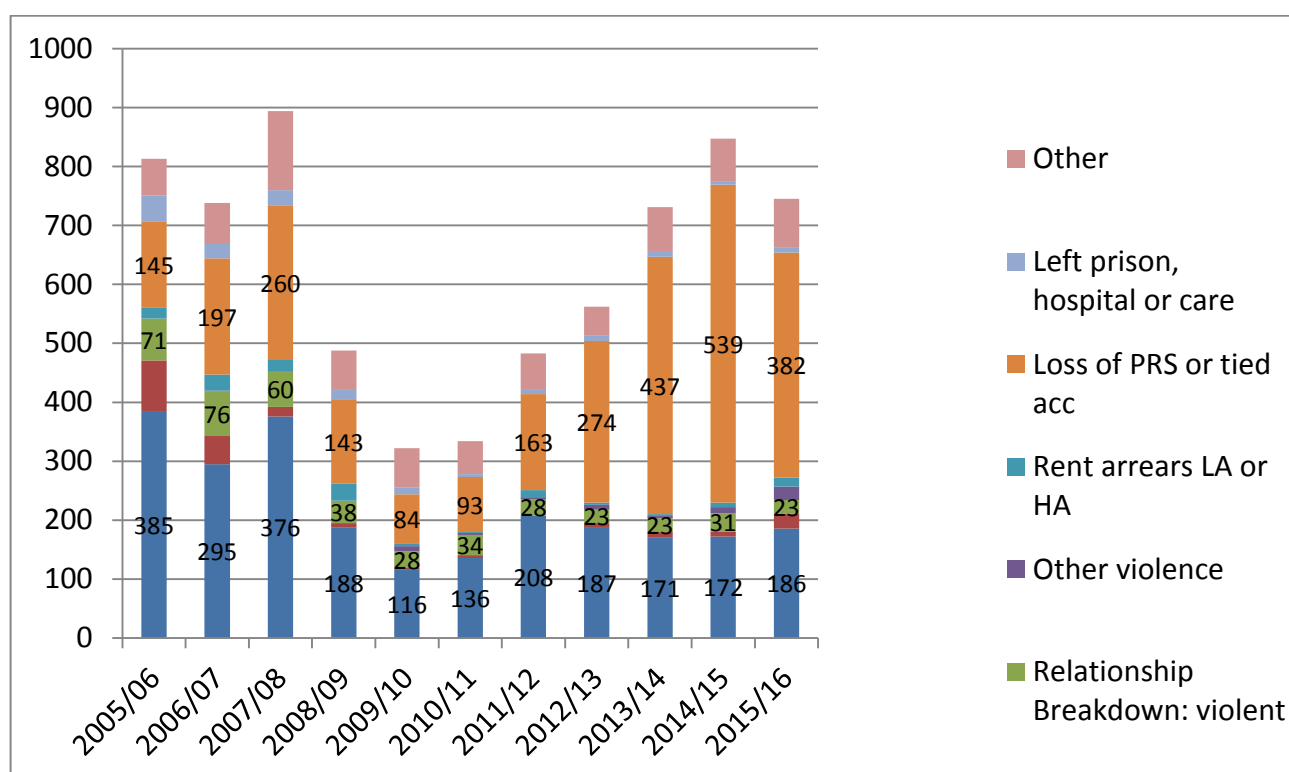
- 3.1 The body of this report is divided into the following sections:

- Homelessness
- Temporary Accommodation
- Social Lettings

4. Homelessness

- 4.1 The number of households to whom the council accepted the statutory duty to accommodate decreased significantly in 2009/10 and 2010/11, coinciding with the implementation of the Local Housing Allowance (LHA). LHA is used to calculate how much Housing Benefit a tenant is entitled to receive to pay towards their rent.
- 4.2 The maximum LHA rent that Housing Benefit will pay depends on the Broad Rental Market Area (BRMA) where the property is located, and the number of bedrooms the household is deemed to require, depending on their family size and composition.
- 4.3 When LHA was first implemented, the rate was set at the median rent for each property size within a BRMA. The impact of this was to significantly increase the amount that Housing Benefit would pay, particularly in the South of Brent, which is located in the Inner North London BRMA, which also covers parts of Camden and Islington.
- 4.4 However, since the implementation of the LHA cap, introduced in October 2011, resetting the LHA calculation to the 30th percentile, and applying a maximum cap for each property size, homelessness acceptances in Brent have more than doubled over the past 5 years. This growth is due to the growing unaffordability of the private rented sector in Brent to families on low incomes and is now the main driver of homelessness acceptances in Brent.
- 4.5 The total number of households who were accepted as homeless in 2015/16 was 745. The main reason for homelessness was households being evicted from the private rented sector, 382 households. Although this figure has reduced from 2015/16, this reason for homelessness accounted for 51% of all homelessness acceptances in Brent.
- 4.6 The other main reasons for homelessness in Brent during 2015/16 were Family Evictions (25%), Domestic Violence (3%) and Other (11%). The "Other" reasons for homelessness are a combination of properties being unreasonable to continue to occupy, non-violent breakdown in relationship, and other evictions.

Table 1 – Reason for Homelessness of Accepted Applications by Financial Year.



- 4.7 Due to the lack of availability of social housing in Brent to meet demand from homeless households, the council is making use of the power provided by The Localism Act 2011 to end the main housing duty by making an offer of suitable accommodation in the Private Rented Sector (PRS)
- 4.8 Due to the lack of affordable accommodation in the PRS in Brent, the council is dependent on accommodation that is outside of the borough, where there is more supply of affordable accommodation.
- 4.9 Despite the challenges in securing affordable accommodation in the PRS, the council ended the main homelessness duty to a total of 252 households in 2015/16, 75 of whom were secured accommodation in Brent. A full breakdown of the areas where accommodation was secured is illustrated in table 2 below.

Table 2 – Area where PRS accommodation was secured

Area	Number of Properties
Brent	75
Other London boroughs	111
Midlands	42
Other outside of London	24
Total	252

- 4.10 This supply of accommodation has made a significant contribution to meeting the demand from homeless households in Brent, and making the best use of the limited supply of affordable accommodation in the PRS is pivotal to our strategy to tackle homelessness.
- 4.11 The council has employed a full time resettlement officer who is based in the Midlands, to assist households who are relocated to the Midlands to settle in the area. The support that is provided is tailored to the individual needs of the family, and includes the following services;
- Liaison with local Housing Benefit services to ensure all claims are in payment
 - All utilities are connected and functioning
 - Application lodged to secure school places
 - Registration with GP
 - Assistance with securing employment or registering at JCP
 - Referral to local social services
- 4.12 Accommodation in the PRS is also key in the prevention of homelessness. Formal consultation began on 13 May 2016 to restructure the Housing Options Team into a homelessness prevention team with a much reduced emphasis on statutory assessment. This will separate the functions that support customers in housing need most directly, namely housing advice, and specialist prevention work, including the new Find Your Home (FYH) Service, from the statutory homelessness assessment
- 4.13 The Council's new Find Your Home (FYH) Service is a transformational change in the way we manage demand for affordable housing in the borough. The project involves working with people who approach the Housing Options service as early as possible and working with them either to stay in their existing accommodation using established homelessness prevention techniques, or to find a new home of their choice in the PRS in an area they can afford to live.
- 4.14 Three months resettlement support, (as outlined above) is provided to each household to ensure they settle into their new home, which also provides reassurance to landlords. Over the next few months we will be fully integrating this offer to Brent's employment and skills service to ensure that all FYH clients have the best opportunity to gain employment or to improve their employment circumstances if already working.
- 4.15 The FYH service commenced as a pilot in September 2015, and has helped to dramatically reduce the number of households who have had to be placed in Temporary Accommodation by the council. Brent's use of emergency Bed & Breakfast has dropped from over 200 in April 2015 to 9 as at present, partly as a direct result of the FYH programme.

5. Temporary Accommodation

- 5.1 Although the council is able to meet the main homelessness duty for newly accepted households by making an offer of suitable accommodation in the PRS, there will always be cohort of households who are unable to move into the PRS due to social, welfare or other reasons and will therefore require Temporary Accommodation (TA) while they wait for an allocation of suitable social housing.
- 5.2 There is also a backlog of historic cases, where the homelessness duty was accepted before the implementation of the power to end the duty in the PRS (9 November 2012). The Government are currently considering making this power retrospective, however unless they do so, we cannot end the duty to this cohort with an offer of accommodation in the PRS, without their explicit consent.
- 5.3 Historically Brent has had the largest number of households living in TA in England and Wales. However during 2015/16 we have reduced our use of TA, so we now have fewer households than 3 other London councils (Newham, Haringey and Croydon).
- 5.4 At the end of March 2016 there were a total of 2,946 households living in TA, a 7% decrease from 2014/15 (215 households). This decrease in the use of TA, and especially the use of Bed & Breakfast accommodation is bucking the national trend where the number of households in TA at the end of Q3 2015/16 increased 12% compared to Q3 2014/15, and the use of B&B also rose by 13% over the same period.

Temporary Accommodation Reform Plan

- 5.5 A report went to cabinet in March 2016 that set out a plan of action to improve the quality of temporary accommodation and reduced revenue cost to the council, whilst alleviating the pressure to allocate so much social housing to homeless households. The main points of this are summarised below.
- Roll Out of the “Find Your Own” programme, which aims to prevent homelessness by intervening early and empowering households threatened with homelessness to access PRS accommodation in areas they can afford.
 - Making all ¹Stage 1 short term temporary accommodation self contained by planned development of identified sites in Brent.

¹ Stage 1 temporary accommodation is defined as accommodation in which households who approach the council in an emergency may be accommodated for a short time pending assessment of their case and/or while longer term accommodation is found. Stage 2 temporary accommodation is self contained accommodation of a size suitable for households to live in for an extended period. An intermediate stage of “step down” accommodation is also required for households, whose case has been assessed and who need to stay in Brent, but for whom suitable stage 2 accommodation cannot yet be found.

- Improved procurement of PRS accommodation to prevent homelessness or end a homelessness duty, including by external commissioning and through a pilot project with other West London boroughs.
 - Acquisition of a large portfolio of long term PRS accommodation in which to be able to accommodate households who have been homeless at LHA rates into the future
 - Development of new build LHA rent PRS accommodation inside and outside Brent.
 - Development of a more integrated package to assist housing needs clients into employment.
 - Enhanced resettlement services in the main areas where the council is placing homeless households.
- 5.6 If successful, implementation of this plan will deliver long term savings to the council and better quality accommodation for homeless households, whilst reducing pressure on the council's social housing allocations.

6. Social Lettings

- 6.1 All social housing in Brent is allocated through the Housing Register, which is a register of housing need in the borough. The council operates a choice based lettings scheme – Locata, to prioritise households who require social housing. Because the demand for housing exceeds supply the Housing Register is a record of demand, broken down into priority bands as defined within the Housing Allocations Scheme to prioritise those households that are in greatest need and have been waiting the longest for an allocation of Housing.

The Banding system

- 6.2 All applicants are assessed and placed in a priority band (A-C) within the Locata scheme, according to their housing need. The full criteria for each band is set out in the Housing Allocations Scheme

Band A: emergency need to be rehoused or releasing adapted or larger properties

Band B: identified housing need and urgent need to be rehoused

Band C: identified housing need and need to be rehoused – including accepted homeless households

- 6.3 Applicants who do not meet the criteria for band A, B or C will not be able to bid for properties on Locata. These applicants are placed in band D and are provided information about alternative housing options

6.4 When applicants fall within the same band, priority is determined through their priority date. Initially, an applicant's priority date will correspond to the date they registered to join the housing register. Priority dates may alter when an applicant moves up and down bands.

6.5 The Housing Allocations Scheme covers:

- Allocation of local authority housing to new tenants
- Transfers requested by local authority tenants
- Allocation of local authority housing to current tenants of Registered Providers
- Nominations that the Council makes to Registered Providers

Demand from homeless households, council tenants seeking a transfer and applicants on the Housing Register are mapped against expected future trends and supply levels

6.6 Following the revision of the Council's Allocation scheme in February 2014, the number of households who are eligible to bid for social housing was significantly reduced to ensure that the limited stock of social housing that is available is allocated to those households in the most need.

6.7 Households that were deemed to have a low priority, or no priority for housing under the new scheme were reregistered and placed in priority Band D, and are no longer able to place bids for social housing.

6.8 There are currently 4060 households in the priority Bands A to C, which provides an indicator of unmet housing need in the borough for those households who have been identified as having a medium to high priority for housing, including accepted homeless households.

6.9 There are a further 14,081 households who are a low or no priority for housing who are in priority Band D, making a total of 18,141 households currently registered.

Housing Register and Transfers Demand

6.10 Of the 4060 households in 'active' bands on Brent's Register, 17% are in Bands A or B and 83% are in Band C. Homeless households in Bands A to C make up 74% of the active register. A breakdown of current applications on the register, by demand group and the number of bedrooms needed is provided in Appendix A.

6.11 In 2016/17 there will be a projected 712 lettings into social housing tenancies (Council and housing association) which will meet around 18% of the current total demand from Bands A to C

2015/16 social lettings

- 6.12 At the beginning of each financial year, Cabinet are asked to approve a set of detailed lettings projections. The table below summarises actual lettings performance for 2015/16 against original projections.

Table 3 – Lettings Variance from Targets – 2015/16

		Targets 2015/16	Actuals 2015/16	% Variance	% of lettings
Target Group	Homeless	471	551	+17	76
	Register	53	108	+104	15
	Transfer	65	65	zero	9
	Total	589	724	+23	100

- 6.13 The overall target was exceeded by 23% in the number of lettings that were achieved compared to the forecast for 2015/16. This was in part due to a number of new schemes that were delivered early. The original forecast of Housing Association units that would be available for letting during 2015/16 was 371, however the actual number of units that were available was 429 (a 16% increase).
- 6.14 Lettings to Brent Housing Partnership units during 2015/16 were 195 against a forecast of 218 (an 11% reduction). This in part reflects the low level of transfers but also results from the trend of reduction in void and re-let rates that has been seen in recent years, which reflects the lack of options available to tenants who wish to move on from social housing.
- 6.15 There was a target of 80% of lettings to homeless households in 2015/16. In practice 76% of lettings were made to this group. A detailed breakdown of lettings made in 2015/16, with a breakdown of beds needed and demand groups are provided in Appendix B.
- 6.16 The 75% (540) of the 724 units of social housing that were allocated last year were allocated to households who were registered in priority band C on Locata. 16% (115) were allocated to households in band B and 9% (69) were allocated to households in band A

Lettings Projections 2016/17

- 6.17 The majority of the 712 lettings of social housing expected to be made during 2016/17 will become available through re-lets within existing social housing stock, including those arising from the transfer of existing tenants. However the Council expects a total of 201 additional properties to be delivered through the new build programme. Furthermore due to slippage from last year, another 49 properties will be delivered this financial year that had originally been forecast to be delivered in

2015/16, plus a further 60 units are expected to be acquired using Right to Buy receipts. The total supply of new units for this year is therefore 310. A level of contingency has been assumed to allow for slippage of delivery into 2017/18. Appendix C provides a table of anticipated supply. Table 4 summarises the distribution of these lettings by property size

Table 4 – Brent and Housing Association Projected Lettings – 2016/17

	1 bed	2 bed	3 bed	4 bed +	Total
Brent	115	80	35	20	250
RSL	120	170	100	72	462
Total	235	250	135	92	712

Homeless Households

- 6.18 It is recommended to reduce the number of lettings that are targeted for homeless households to 71%. This percentage is smaller than last year. This is because we recommend that we increase the number (percentage) of allocations to Council tenants who need to transfer from one social housing unit to another. This will create a chain let and therefore an increase in the overall number of lets, as well as address the housing needs of some of the tenants who require a transfer to alternative accommodation due to overcrowding, under occupation, medical and other grounds. This will support achievement of the Housing Strategy objective to halve severe overcrowding in the social housing sector in Brent by 2019. The anticipated overall distribution of lets to different groups for different bed-sizes is shown in the table below.

Table 5 – Anticipated distribution of lets by property size to demand groups

	1 bed	2 bed	3 bed	4bed+	Total	%
Housing Register - Homeless	110	210	110	79	509	71
Housing Register - Other	50	15	9	5	79	11
Transfers	65	35	16	8	124	18
Total	225	260	135	92	712	100

Social housing mobility funding scheme

- 6.19 The Council has been successful in securing £75K of funding from the DCLG for a Social Housing Mobility scheme. This scheme will assist households who are registered for a transfer of accommodation, who

currently have little realistic chance of a move due to having a low priority, or no priority for housing, as defined by the allocation scheme.

- 6.20 The Social Housing Mobility scheme will facilitate moves among this group while increasing overall movement within the stock, and has a target of achieving 100 moves over the next two years.

7. Financial Implications

- 7.1 The 2016/17 net Housing Needs temporary accommodation budget is £6.83m. This represents total budgeted expenditure of £50.18m and income of £43.35m. It includes landlord incentive payments as well as the net costs of temporary accommodation provision.
- 7.2 In setting the 2015/16 council budget it was agreed that the Housing Needs budget would make savings of £0.84m in 2016/17 and £0.5m in 2017/18, a total of £1.34m.
- 7.3 Although this reports recommends reducing the percentage of lets to accepted homeless families, the actual number of lets to accepted homeless will remain approximately the same as the total number of units available for lets in 2016/17 will increase. Therefore, there is no direct financial implication on the 2016/17 temporary accommodation budget in reducing the percentage of allocation.

8. Legal Implications

Housing Register / Allocations Scheme

- 8.1 The primary legislation that governs the allocation of new tenancies is set out in Part VI of the Housing Act 1996 ("the 1996 Act"), as amended by the Homelessness Act 2002 "the 2002 Act") and the Localism Act 2011. As enacted, the 1996 Act introduced a single route into council housing, namely the Housing Register, with the intention that the homeless have no greater priority than other applicants for housing. Since the enactment of the 2002 Act, councils are required to adopt an allocations policy which ensures that "reasonable preference" is given to certain categories of applicants (which are set out in section 166A of the 1996 Act as amended by the Localism Act 2011 and includes homeless households and persons living in overcrowded conditions and persons who need to move on medical or welfare grounds), and to allocate strictly in accordance with that policy. An allocation of accommodation under Part VI of the 1996 Act must be made in accordance with the Council's own allocation policy (cf. section 166A (14) of the 1996 Act). Allocation of temporary accommodation pursuant to the Council's homelessness duties under Part VII of the Housing Act 1996 is not governed by Part VI of the 1996 Act.

- 8.2 Brent adopted Locata, a choice-based Allocations Scheme, working in partnership with other local authorities and Housing Associations in the West London Alliance in 2003. Locata applies to all categories of applicant, including those seeking a transfer within Council housing. Although an analysis of demand and lettings is made with reference to (i) homelessness, (ii) Housing Register and (iii) transfer demand; there is no legal difference in the duties owed to people in each of these categories for the provision of accommodation under Part VI of the Housing Act 1996.

Homelessness legislation and case law

- 8.3 The primary legislation governing decisions on homeless applications is Part VII of the Housing Act 1996, which was amended by the Homeless Act 2002. The Council is required to make decisions on homeless applications within the scope of the legislation bearing in mind local demand. Local authorities have a duty under Part VII of the Housing Act 1996 to house homeless persons in temporary accommodation who satisfy the qualifying criteria (i.e. eligibility, homeless, priority need, not intentionally homeless and local connection).
- 8.4 The Council can only discharge its duty to those qualifying homeless persons in temporary accommodation under the circumstances set out in section 193 of the Housing Act 1996 and the circumstances in which this duty can be discharged are as follows: (i) if the homeless person accepts an offer of permanent accommodation from the Council in the form of a secure tenancy under Part VI of the Housing Act 1996; (ii) if the homeless person accepts an offer of an assured tenancy (other than an assured shorthold tenancy) from a private landlord; or (iii) following the changes made by the Localism Act 2011 which were effective from November 2012, if the homeless person accepts an offer of private rented accommodation where there is a fixed term of at least 12 months.
- 8.5 The Localism Act 2011 has enabled Local Authorities to fully discharge the full housing duty to homeless applicants by making a Private Rented Sector Offer (PRSO) (s193 (7AA)-(7AC) Housing Act 1996 as amended by the Localism Act 2011). This only applies to those homeless applicants who were accepted as homeless since 9 November 2012.
- 8.6 The Homelessness (Suitability of Accommodation)(England) Order 2012 sets out what matters are to be taken into account in determining whether accommodation is suitable for a person and also sets out circumstances where accommodation, which is being provided to an applicant for the purpose of a private rented sector offer under section 193(7F) of the 1996 Act, is not to be regarded as suitable.

9. Diversity Implications

- 9.1 An Online Equality Impact Assessment has been completed to consider the impact of the reduction in social housing letting allocating from 80% to 71% to accepted homeless households.
- 9.2 There are some negative impacts to the proposal to reduce the allocation to 71% of social housing lettings to homeless households, as a high proportion of the applicants who are accepted as homeless are from BAME origins and female headed applications. However, the negative impact is mitigated by the fact that the same protected groups currently living within the social sector and the private rented sector will experience increased access to social housing lettings.

Staffing/Accommodation Implications

- 10.1 Resources within the housing needs service have been deployed to support the initiatives and approaches set out in this report and this deployment will be adjusted as necessary.

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Appendix A - Current Live Applications

		Number of Bedrooms Required									
		1	2	3	4	5	6	7	8	9	Sum:
	ELDERLY SHELTERED	250	1								251
	HOMELESS APPROVED	113	1223	1198	375	93	15	1			3018
	LEAVING CARE	27	2								29
	MANAGEMENT TRANSFER	5	8	6	3	2					24
	MEDICAL	33	29	42	9	2					115
	MOVE ON QUOTA	15	1	2	1						19
	OVERCROWDING		52	167	66	11	1				297
	PERMANENT DECANTS	46	17	7	1						71
	SOCIAL HARDSHIP		2	4	3						9
	STATUTORY DUTY	1									1
	SUCCESSION (UNDEROCCUPATION)	17	1								18
	UNDEROCCUPATION	72	33	4							109
	UNSATISFACTORY HOUSING	5	2								7
	QUALIFYING OFFER	9	28	41	9	3	1				91
	ARMED FORCES	1									1
	Sum:	594	1399	1471	467	111	17	1			4060

Appendix B - Lettings Performance BHP and Housing Association – 2015/16

	Bedroom Size					
	1	2	3	4	4+	Grand Total
HOUSING REGISTER						
CHILDREN LEAVING CARE	31	1				32
APPROVED HOMELESS	125	247	141	34	4	551
MEDICAL	5	6	4	1		16
OVERCROWDING		2	3	4		9
CONTRIBUTION TO MOBILITY (YOUR MOVE)	5	2	1			8
UNSATISFACTORY HOUSING CONDITIONS	1					1
MOVE-ON QUOTA	17					17
ELDERLY SHELTERED	20					20
QUALIFYING OFFER	1	1				2
Sub Total	205	259	149	39	4	656
TRANSFERS						
UNDER OCCUPATION	11	5	1			17
DECANT	22	2	4			28
SUCCESSION (UNDEROCCUPATION)	17	1				18
MANAGEMENT TRANSFER	2	2	1			5
Sub Total	52	10	6			68
Grand Total	257	269	155	39	4	724

Appendix C –Projected Lettings 2016/17

For Brent Council properties, the projection is made based on last year's lets, i.e. Council owned properties that became available to relet, and a small number of new build units

For Registered Provider properties, the projections are made based on the number of existing properties that became available to let as well as new builds.

The table below shows the number of new build units that will become available during 2016/17..

Address	Provider	Tenure	Total Units
Burnt Oak Broadway Affordable Rent	Catalyst	Affordable Rent	44
Kilburn park Road Rent S106 NW65LF	Home Group	Rent	23
LBB - BHP BID (1 CAM Estate, Ainsworth Close)	London Borough of Brent	Affordable Rent	3
LBB - BHP BID (2 - Slough Lane)	London Borough of Brent	Affordable Rent	3
LBB - BHP BID (3 - Eskdale Close)	London Borough of Brent	Affordable Rent	3
74 Acton Lane London NW10 8TU	Genesis	Affordable Rent	2
LBB - BHP BID (4 - Rokesby Place)	London Borough of Brent	Affordable Rent	2
Biko House Affordable Rent	Network	Affordable Rent	18
LBB - BHP BID (5. Mead Court)	London Borough of Brent	Affordable Rent	2
Nightingale Avenue (NWP) Affordable Rent	Network	Affordable Rent	56
LBB BHP BID (6 - Runbury Circle)	London Borough of Brent	Affordable Rent	3
LBB BHP BID - (8 - William Dromey Court)	London Borough of Brent	Affordable Rent	4
LBB BHP BID - (9 - James Stewart House)	London Borough of Brent	Affordable Rent	3
Press House Affordable Rent	Network	Affordable Rent	35
Total			201

Taking the above into account, the predicted number of lets for the 2016/17 financial year is expressed in the table below:

	1 bed	2 bed	3 bed	4 bed +	Total
Brent	115	80	35	20	250
RP	120	170	100	72	462
Total	235	250	135	92	712

