



Executive
16th April 2007

**Report from the Director of
Housing and Community Care**

For Action

Wards Affected:
ALL

Supply and Demand and Temporary Accommodation

Forward Plan Ref: H&CC-0607-26

1.0 Summary

1.1 This report seeks Members' approval of the lettings targets for 2007/08, and provides Members with an updated supply and demand analysis for housing, including lettings performance in 2006/07 and progress against Temporary Accommodation reduction targets. This report provides Members with an update on progress in developing temporary to permanent housing schemes and seeks approval to invite expressions of interest for the provision of management and maintenance services for the sub-regional TTP scheme as required by Contract Standing Orders 88 and 89. This report also seeks approval for such management and maintenance services and the provision of the units for the sub-regional TTP scheme to be procured as part of a collaborative procurement with other West London Authorities.

2.0 Recommendations

- 2.1 The Executive note the updated supply and demand analysis for housing, including lettings performance in 2006/07, given in Appendix A.
- 2.2 The Executive approve the lettings targets for 2007/08, as detailed in paragraph 3.7 and in Appendix E.
- 2.3 The Executive note the progress in developing temporary to permanent housing schemes, both at a borough level and sub-regionally, as detailed

in paragraph 3.5.

- 2.4 The Executive to give approval to Officers to invite expressions of interest for the provision of management and maintenance services and the provision of units for the sub-regional TTP scheme
- 2.5 The Executive agree that there are good financial and / or operational reasons to consider outstanding items in Standing Order 89 in a separate report to be brought by officers before Invitations to Tender are issued for the provision of management and maintenance services for the sub-regional TTP scheme
- 2.6 The Executive to agree that there are good operational reasons for the Council's Standing Orders and Financial Regulations to not apply to the collaborative procurement process for the provision of management and maintenance services and the provision of the units for the sub-regional TTP scheme and that the Royal Borough of Kensington and Chelsea's Standing Orders and Financial Regulations will apply instead.

3.0 Detail

3.1 Supply & Demand Projection

- 3.1.1 A summary of the Supply and Demand projection for social housing is provided in the table below, with a full version provided in Appendix A.

	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009	2009/2010
DEMAND FROM ALL GROUPS	18613	19163	20063	20656	21057	21563
PERMANENT SUPPLY (RSL's & Brent)	960	1123	930	921	901	872
ALL LETTINGS (Incl Private Sector)	1050	1213	994	1361	1391	1474
UNMET DEMAND (After Lettings)	17720	17797	18778	19076	19443	20110
ALL TEMPORARY ACCOMMODATION	4450	4213	4082	3476	2780	2243

- 3.1.2 This model brings together information regarding the demand for housing from the homeless, Council tenants seeking a transfer and applicants to the Housing Register. This demand is mapped against expected supply levels, and assumes that the temporary accommodation reduction targets, as outlined in paragraph 3.4.1 are achieved.
- 3.1.3 As the table shows, the level of unmet demand in the Borough is expected to remain at around 20,000 households with an unmet housing need over the next three years.

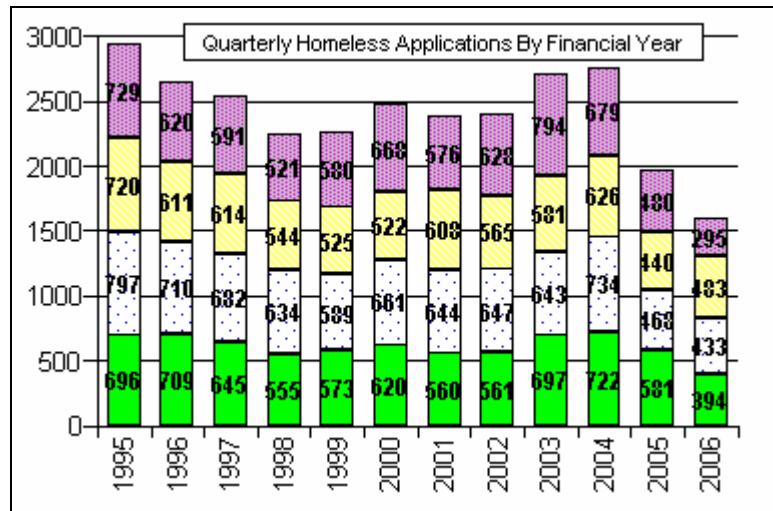
3.2 Housing Register and Transfer Demand

- 3.2.1 Appendix B provides a breakdown of live applications on the Housing Register and Transfer list by demand group and the number of bedrooms needed. Total demand on these lists is currently just over 20,000

households. Given the high level of demand within the borough and the limited supply of housing, it is likely that a large number of these households will never be rehoused, and those that are assisted with rehousing face lengthy waits in many cases.

3.3 Homeless Applications and Decisions

3.3.1 The chart below shows homeless applications received per quarter by financial year, and includes applications until the end of February 2007.



3.3.2 As the chart shows there has been a decrease of around 10% in homeless applications received in 2006/07 compared to the previous year. By the end of the year, officers forecast that 750 of these homeless applications will have been accepted. These are applicants whom the Council has accepted a duty to rehouse, under the homelessness legislation. This is a decrease of around 14% in comparison to the previous financial year, and is the lowest number of acceptances for over ten years.

3.3.3 This decrease in homeless applications and acceptances is the result of a proactive approach to homeless prevention and the provision of advice and guidance on other housing options available. The Council's in-house Housing Advice Service was launched nearly two years ago, and provides comprehensive advice and assistance on a wide range of housing enquiries. Much of the team's work focuses on the prevention of homelessness, including early intervention in cases of potential homelessness, landlord and tenant mediation, providing detailed housing options advice, assistance to secure accommodation in the private rented sector, and use of our family mediation and other schemes. This approach of providing advice and assistance to households in housing need as early as possible, and before they become homeless, is proving highly effective, as the reduction in the number of homeless applications made to the Council demonstrates.

3.3.4 16/17 year olds

Members are asked to note that in November 2006, the Government announced its intention to end the use of hotel accommodation for homeless 16/17 year olds by 2010, except in emergencies and then for no longer than six weeks.

3.3.5 The Council is actively working to reduce levels of homelessness amongst this group. Initiatives in place include -

- A multi-agency 16/17 year old group is led by Housing, and includes a wide range of stake-holders and partners from the voluntary and statutory sectors. The aim of this group is to better manage and support young people who are applying for assistance under the homelessness legislation. This includes prevention of homelessness where possible.
- A Connexions Personal Advisor is based within the Housing Resource Centre, who supports young people under the age of 19 with housing needs, and assists them to engage with employment, education and training opportunities.
- A programme of homeless awareness sessions is delivered to schools across the borough, in conjunction with Brent Homeless User Group. Feedback from these sessions has been extremely positive.
- Making best use of Supporting People funded supported accommodation for young people.

3.3.6 However, despite these positive initiatives, some 16 to 17 year olds are continuing to be accommodated in hotels by the Council, due to the overall gap between demand and the availability of suitable alternatives.

3.4 Temporary Accommodation

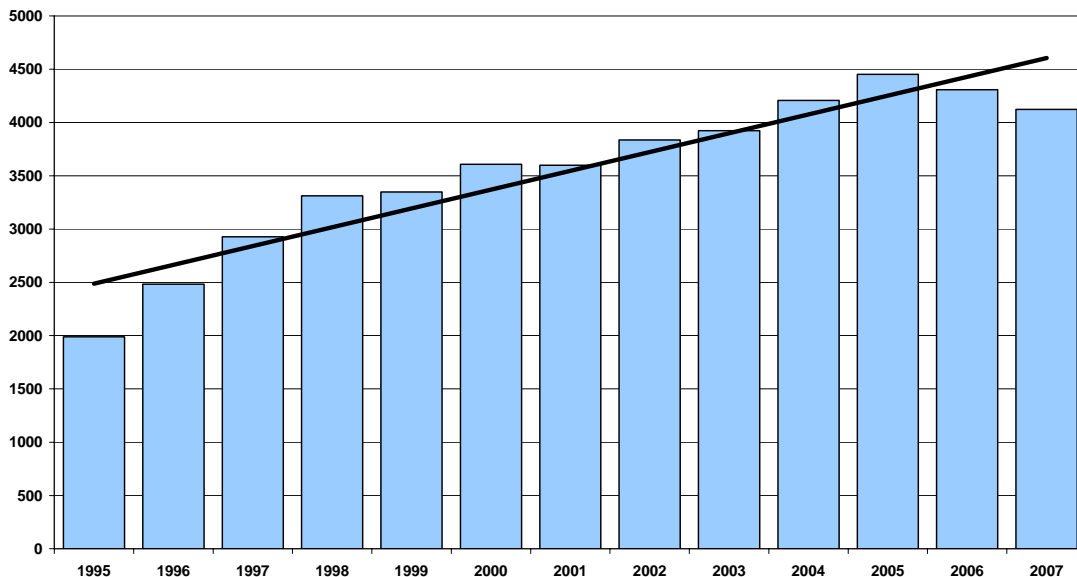
3.4.1 Temporary Accommodation Numbers and Reduction Plan

The Temporary Accommodation Update report in October 2006 provided an update to Members on progress against the Government's target to halve the number of homeless households in temporary accommodation by 2010. A summary of the original targets agreed with the Department of Communities and Local Government is provided below.

Date	Baseline figure	Current figure	Target Figures			
	01/01/05	31/01/07	31/03/07	31/03/08	31/03/09	31/03/10
No in TA	4,466	4,122	3,923	3,476	2,780	2,243
Target Reduction per annum	-	-	419	447	696	537
Cumulative Reduction	-	344	543	990	1,686	2,223
%age Reduction	-	8%	12%	22%	38%	50%

3.4.2 Members will note that at the end of January 2007 an 8% reduction in the numbers in temporary accommodation had been achieved since January 2005. This reduction is significant, given the context of the previous ten years, which had seen a steady increase in the usage of temporary accommodation, as the next graph demonstrates.

Households in Temporary Accommodation 1995 to 2007



3.4.3 This overall reduction in the use of temporary accommodation has been achieved through a combination of measures, including :

- the good performance of the Housing Advice Service in reducing overall homeless applications, as outlined in paragraph 3.3.3 above,
- procurement of new one-bedroomed temporary accommodation units under the Housing Association Leasing scheme has been stopped,
- properties which would previously have been let as temporary accommodation under the Council's Assured Lettings Scheme are now used by the Advice Service to assist households who may be threatened with homelessness.

3.4.4 Conversion of temporary accommodation to settled accommodation

Despite our success in reducing temporary accommodation usage, Members are asked to note that a large part of our original strategy to reduce numbers by 50% was based on the Council being able to successfully implement a scheme to convert temporary accommodation leases into settled accommodation, and this is yet to be achieved.

3.4.5 As there are currently just under 3,000 households in temporary accommodation managed by RSLs under our HALS scheme, or provided directly by the Council's Private Housing Information Unit under the Assured Lettings Scheme, such a scheme could result in a significant reduction in TA numbers. All this accommodation is self-contained and owned by a private landlord, and represents over 70% of our current temporary accommodation portfolio. Converting these tenancies into settled accommodation at the end of the existing lease would enable us to secure good quality accommodation in the private rented sector and the authority's homeless duty to the household would be ended.

3.4.6 In our original TA Reduction plan we forecast that over the five year life of the plan we would achieve 1,450 of these conversions. This would account for 65% of our total planned reduction, in order to meet the Government's target by March 2010.

- 3.4.7 In October 2006 Members agreed a change to the Locata banding scheme which would affect households who accepted an offer under this initiative. The report advised Members that our initial discussions with RSLs had indicated that there was much further work needed to develop a viable scheme, with the RSLs being reluctant to agree to a scheme whereby a lease ends with the tenant still in residence. This was due to concerns regarding their contractual requirement to return the property to the landlord with vacant possession.
- 3.4.8 This is still the position, and officers are aware that a number of other London boroughs have explored this type of scheme and found the same barriers in discussion with partner RSLs. A small number of pilot schemes have been trialled in other boroughs, however informal feedback suggests that these have not been successful.
- 3.4.9 We have also been exploring options for this type of scheme for homeless households accommodated under the Council's Assured Lettings Scheme (ALS). Under this scheme the Private Housing Information Unit arranges the initial letting, however the tenancy agreement is between the tenant and the landlord, and management of the property (rent collection, repairs, etc) is the responsibility of the landlord. There are currently 270 units of temporary accommodation provided under this scheme.
- 3.4.10 As there is no Housing Association acting as a managing agent, the process of converting the tenancy into settled accommodation should be more straightforward, provided that both the landlord and tenant are willing. However our initial research into this possibility has revealed little enthusiasm for the proposal from the households accommodated, with many expressing a preference for continuing to wait until they are permanently rehoused via Locata. This is despite the fact that many of them have spent several years in TA already.
- 3.4.11 Taking into account the feedback from the RSLs and the customer responses we have received from the ALS research, officers are concerned therefore that a significant part of our current TA reduction plan is not viable. This will impact on the Council's overall ability to meet the 2010 target – in fact 65% of the planned reduction was to be achieved through this scheme. Without this scheme a revised forecast, based on the supply and demand model provided in Appendix A, would suggest that the number of households in temporary accommodation at the end of 2009/10 would be around 3,693, a difference of 1,450 against the original target.
- 3.4.12 Officers intend to discuss these issues in further detail with the Department of Communities and Local Government during 2007/08. Discussions about the overall achievability of the 2010 target are also being led by London Councils (formerly the Association of London Government).
- 3.4.13 Hotel Numbers
There has been an increase in the number of homeless households accommodated in hotels during the year, with a total of 311 households in hotels as at the end of February. This is partly due to an increase in homeless approaches during the third quarter of the year, and also to the

fact that there was a slight decrease in the number of properties available in the private rented sector, which are used to assist homeless prevention cases.

3.4.14 In previous paragraphs Members have been advised that part of our strategy to reduce overall numbers in temporary accommodation is to reduce the number of HALS scheme properties we use, by not renewing properties at the end of leases, and actively handing back properties early when a household leaves. However, although we have been successful in reducing overall numbers in TA by 8% as outlined in paragraph 3.4.2 above, the overall decrease in our use of self-contained units has been partially off-set by an increase in hotel usage.

3.4.15 The balance between trying to achieve a challenging reduction target, whilst keeping numbers in hotels at a manageable level is complex. However, having seen the rise in numbers in hotels over the last quarter, officers have taken urgent steps to reduce these levels. This has included increasing the supply of self-contained temporary accommodation, continuing to work closely with the Advice Service to try and prevent homelessness where ever possible, and a weekly review meeting of all hotel placements on a case by case basis.

3.5 Temporary to Permanent Schemes

3.5.1 Work has been progressing on developing temporary to permanent (TTP) housing schemes, both at a local and sub-regional level. Accommodation procured under TTP arrangements offers better value for money than other forms of temporary accommodation over the medium to longer term, since properties will become affordable at the end of the temporary period, which is typically between 10 and 15 years.

3.5.2 Under traditional TTP schemes, maximum Housing Benefit levels are received on temporary accommodation. The surplus income is used to pay off a mortgage over a number of years, until the outstanding loan debt is reduced to a level where social housing rent levels are sufficient to meet the outstanding mortgage repayments. The property can then be used as permanent social housing, including some shared ownership properties.

3.5.3 Some capital investment by either Registered Social Landlords, private sector providers and / or the local authority can be advantageous to the financing of the scheme where this is a possibility. There may also be a requirement within any proposals for local authority and RSL guarantees, but with adequate break clauses to ensure properties can be sold if necessary, should this be required to repay the debt.

3.5.4 Sub-regional TTP schemes

At a sub-regional level, work has been progressing over the last 18 months to develop a proposal for a West London scheme, and a joint bid to the Government's Settled Homes Initiative pilot fund has been submitted. £30 million is available for pilot schemes, and West London has bid for £16 million of this. A decision is expected by the end of April 2007.

3.5.5 There is the potential for substantial efficiency savings if boroughs procure

TTP as a sub-region. Some boroughs within West London would be unable to purchase suitable properties in their own borough because of high property prices, and there are clear advantages in a sub-regional approach which allows some out of borough procurement. The difficulty here is securing the agreement of the “importing” boroughs to this, and agreeing a fair basis (such as a reduction in other forms of temporary accommodation or a host borough premium) on which the importing boroughs can potentially be compensated for the potential impact on their resources which accommodating homeless households may involve.

- 3.5.6 The level of risk for boroughs participating in any sub-regional TTP scheme also needs to be considered. All TTP schemes involve some potential financial risk to the participating authorities and their partners, dependant on fluctuations in rent levels and property prices over the purchase period. There is also a possibility of the scheme performing better than expected if the property market over the next 10 to 15 years moves favourably.
- 3.5.7 However in order to address these risks, lease periods can be extended and/or a proportion of properties sold if necessary. These measures are likely to more than compensate for the identified risk factors, including taking into account the planned reduction in Housing Benefit subsidy caps in 2008/09 and onwards.
- 3.5.8 However there is no definitive commitment to participate from any of the boroughs at this stage, and a firm commitment can not be made until proposals are received from potential providers following a tender process. A further risk assessment would be carried out for each borough before they could be expected to sign up to any scheme.
- 3.5.9 It is likely that for some boroughs at least, the scheme will work better if boroughs are able to input some initial seed capital at the beginning of the process. The RSLs who bid to supply the properties would also be expected to input some assets.
- 3.5.10 Depending on the finances available in each borough for this purpose, the scheme can be made quite flexible. For example if a borough has no capital resources, lease length can potentially be increased or provision be made to sell a proportion of the properties instead of converting them to social housing at the end of the lease period. Conversely, boroughs who can input some capital can expect to be able to convert to affordable housing sooner.
- 3.5.11 Using a grant from the London Centre of Procurement Excellence, the seven West London Authorities have engaged Civis consultants to work up the model and the necessary legal documentation on the basis of which the boroughs will jointly tender for provider offers to supply approximately 1400 units of accommodation for the proposed scheme. It is proposed that the Royal Borough of Kensington and Chelsea will lead on this procurement and that their Standing Orders and Financial Regulations will apply to the procurement process.
- 3.5.12 A project board with representatives from the seven boroughs meets regularly, and reports to West London Housing Directors. It is proposed

that the seven boroughs will invite provider expressions of interest for the supply of the units of accommodation, the provider to be selected using a negotiated procedure. This matter is subject to ongoing discussions between the seven boroughs and will be subject to a separate report to the Executive. There will be a need to manage and maintain the units of accommodation and discussions are also ongoing between the seven boroughs as to whether management and maintenance should form part of any lease entered into for the accommodation or whether management and maintenance should be procured separately. If the decision is to procure management and maintenance separately, this aspect will be subject to EU procurement rules. In view of the need to meet the Government's Settled Homes Initiative pilot fund timetable, the frequency of Executive meetings and the requirements of EU legislation with regard to advertising expressions of interest, authority is sought at this time for the advertising expressions of interest for the provision of management and maintenance services and the provision of units. A further report will be presented to the Executive seeking authority to invite tenders and providing full details of the proposed tender procedure.

3.5.13 It will not be until firm bids from providers have been received that boroughs will be in a position to analyse in detail the finances of the actual proposal. It is clear, despite the Settled Homes bid, that no definite undertaking to proceed can be expected from any borough until that point, which is expected to be around June or July 2007.

3.5.14 Brent ALMO TTP Scheme

Council officers are working with Brent's ALMO to assess the feasibility of making better use of existing Council stock in order to generate more affordable housing and in particular to assist households in the greatest level of need.

3.5.15 Around 40% of the Council's housing stock is one bedroom accommodation. However the greatest demand for new affordable homes comes from households requiring family housing, in particular those requiring two and three bedroom accommodation who as a consequence often wait much longer to be rehoused permanently.

3.5.16 The ALMO has put forward a proposal which involves using one bedroom Council housing in the Housing Revenue Account to generate new family homes. The scheme would involve swapping existing one bedroom properties for two bedroom accommodation which would be procured through a special purpose vehicle (SPV) created by the ALMO.

3.5.17 The new family homes would be transferred to the Council within the Housing Revenue Account so that they could be let under secure tenancies to homeless households who require these properties at affordable social housing rents. The one bedroom property would then be transferred to the special purpose vehicle and let to homeless applicants in existing temporary accommodation, or could be offered to households threatened with homelessness as part of a homeless prevention initiative at sub market rent levels. This would mean that these properties could still be used by the Council to support vulnerable households, such as children leaving care, and clients leaving supported accommodation under move-on

arrangements.

3.5.18 One advantage of this scheme is that it allows the ALMO to buy a number of leasehold properties within existing estates which are currently being let to private sector tenants or RSLs on a short term lease. As the use of RSL managed temporary accommodation (HALS) reduces, landlords may find it more difficult to let or sell these properties. The ALMO is therefore proposing that they purchase these properties through the SPV, by targeting any empty properties or assessing interest from existing leaseholders in selling their properties. This would help alleviate management problems caused by absentee landlords not looking after their properties.

3.5.19 In addition, the scheme would redress the balance of family homes in the Council's ownership. The scheme would also help to facilitate the movement of households from short term temporary leased accommodation to longer term settled housing solutions, with the eventual opportunity to be granted an Assured Tenancy by the SPV.

3.5.20 With the vacancies generated in short term leased accommodation, the Council could then target landlords to either sell their properties to the SPV so that the longer term ownership is secured, or to encourage the landlords to rent their properties directly to our nominated applicants in line with Local Housing reference rents. This clearly would have a positive impact on our temporary accommodation portfolio. The SPV would also be in a position to procure additional new homes as part of this financial arrangement.

3.5.21 It is envisaged that over the 30 years life of this scheme the SPV would have bought an additional 206 new family homes ranging from two to four bedrooms in size, on top of the family housing units which would have been swapped for existing one bedroom accommodation.

3.5.22 The funding arrangements are complicated, however it should be stressed that at this stage officers are exploring the feasibility of this scheme and that further legal advice on the ability of the Council and ALMO to enter into such arrangements is being sought. Officers have submitted a bid for capital funding of £5m under the Settled Home Initiative to help kick start the delivery of this scheme. Although the bids for this funding pilot have not yet been formally evaluated, the DCLG have expressed an interest in the innovation that this proposal presents. A further update on progress will be provided in due course.

3.5.23 RSL schemes

The Council is also working with two RSLs, Pathmeads Housing Association and Stadium Housing Association to develop temporary to permanent schemes. Both RSL schemes use a similar revenue funding model which aims to deliver affordable homes at the end of a 15 year term. Bids for funding under the Settled Homes Initiative have also been submitted in support of these schemes.

3.5.24 Pathmeads Housing Association

Pathmeads Housing Association have proposed a TTP scheme which

involves a partnership between Lloyds TSB bank and the Council, with the RSL being contracted to provide the Housing Management service for properties leased by the Council. Rent levels charged to tenants will be in line with Local Reference rents currently being applied by the Council for RSL leased accommodation, however at the end of the lease term (of 15 years or more) the Council's lease on the properties will end and the bank will sell the properties to Pathmeads Housing Association. At this point the tenancies will be converted to Assured Tenancies, with rents being charged at affordable levels. A bid to fund a pilot of this scheme has submitted as part of the Settled Homes Initiative.

3.5.25 Stadium Housing Association

Stadium Housing Association's scheme follows a similar financing route to Pathmeads. However the Council would not have a direct leasing arrangement with the housing association or their lenders, and the Council would need to sign up to a nomination agreement for the scheme. A funding bid has been submitted as part of the Settled Homes Initiative to support a scheme which delivers 70 settled homes, of which 10 will be affordable before 2010, 5 will be low cost home ownership and the remainder will be longer temporary accommodation owned by the RSL to be converted to affordable housing at the end of 15 years.

3.6 Permanent Lettings against Targets 2006/07

3.6.1 At the time of writing, lettings figures for performance up to the end of January are available. The next table summarises actual lettings performance to the end of January against the targets set at the beginning of the financial year.

Lettings Variance from Targets **To Month = 10**

		Full Year Actuals 2005/06	Targets 2006/07	Pro Rata Target	Actuals 2006/07	Var	% Var
Target Group	Homeless	672	580	483	446	-37	-8%
	Register	245	358	298	169	-129	-43%
	Transfer	202	287	239	166	-73	-31%
	Total	1119	1225	1021	781	-240	-23%

Lettings Source	Council	499	669	558	364	-194	-35%
	RSL	620	556	463	417	-46	-10%
	Total	1119	1225	1021	781	-240	-23%

3.6.2 Based on these figures, officers forecast that overall lettings to all demand groups will total 930 in 2006/07. This includes lettings in both the Council's own stock and permanent RSL lettings.

3.6.3 Members will note therefore that performance is expected to be significantly below the original target set. The original target for 2006/07 was ambitious, with a 10% increase on targets compared to the previous year's performance.

- 3.6.4 An increase in lettings to council tenants seeking a transfer was forecast for 2006/07. Increasing transfers will in turn increase the number of overall lettings, as the property that the tenant has transferred from then becomes available for letting. However we have not been able to achieve the original level of transfers forecast, and this has impacted on overall performance against targets. Lettings to RSL properties are also below target, due to some slippage in new build schemes.
- 3.6.5 A detailed analysis of lettings performance to the end of January 2007, including a breakdown by bedsize and category, is provided in Appendices B and C.

3.7 Lettings Targets 2007/08

- 3.7.1 From an analysis of the trend in local authority and RSL lettings it is anticipated that there will be 921 lettings made in 2007/08. This is a significantly lower target than 2006/07; however officers believe that this is a realistic forecast of activity during the year. When setting targets officers need to make reasonable judgements as to how many properties will become available in a year. Not only does this include new build RSL properties, but also re-lets in both Council and RSL stock. This figure includes lettings to 261 new build properties expected to be ready for letting during the year.
- 3.7.2 The table below summarises the distribution of these lettings across the different bedroom categories.

BRENT AND HOUSING ASSOCIATION - Projected Lettings 2007/08

	BSR	1 BED	2 BED	3BED	4 BED+	Total
Brent	59	190	124	45	24	442
RSL	0	197	179	83	20	479
Total	59	387	303	128	44	921

In addition officers expect 219 low cost home ownership units to be completed during the year. The majority of these will be one and two bedroom properties.

- 3.7.3 Projected lettings can only meet a small proportion of the total housing need in the Borough. In 2007/08 we will be able to provide lettings to less than 5% of current applicants on the Housing Register and Transfer List.
- 3.7.4 Although there is a banding scheme in place, members are asked to note that officers need to effectively manage demand from a number of competing priority groups, particularly amongst young adults, move-on and priority medical groups. We have therefore maintained the detailed letting target groups, to monitor the allocations of lettings and ensure that strategic priorities are met.
- 3.7.5 Given that we can meet so little of the need in the Borough, the prioritisation of lettings is crucial. Members are therefore asked to approve the lettings targets set out in Appendix E. This lettings scheme supports a

number of policy and strategic objectives, including the following:

- 50% of the available lettings are targeted to the homeless in order to support our Temporary Accommodation plans. The Department of Communities & Local Government has set a target for all local authorities to reduce temporary accommodation usage by 50% by 2010, as detailed in paragraph 3.4.
- 35 lettings are provided to deal with urgent management transfers for council tenants. In addition, 15 lettings are provided for instances where a transfer is required due to major works.
- 10 lettings are provided for the Intra-Estate transfer scheme.
- 51 lettings are provided for the Underoccupation Scheme. This allows those who no longer need family sized Council accommodation to move, therefore freeing up much needed larger size properties.

3.7.6 Members are asked to note that three demand groups have been removed from the proposed targets for 2007/08. These are the Rough Sleepers, Tenancy Separation and Church End quotas. The rough sleepers quota has been incorporated into the voluntary organisations target. This will ensure that rough sleepers are initially accommodated in hostel type accommodation, where they can receive appropriate support before being permanently rehoused in independent accommodation. The tenancy separation and Church End quotas are no longer required. The Church End decant programme is nearly completed, and any further decant needs can be contained within existing stock.

3.7.7 A review of the allocations scheme is planned to be carried out in 2007/08, and a revised scheme will be presented to Members for approval at a later date. This will incorporate the changes listed in this report, and also ensure that the allocations scheme is reviewed with reference to existing case law.

3.7.8 Children Leaving Care

55 lettings from the Housing Register are targeted for Children Leaving Care, to assist the Children and Families department in rehousing young adults. In 2006/07 this target was increased to 65, as the cost of funding placements for children leaving care, including unaccompanied asylum seeking children, was a significant pressure on the Children and Families budget. The provision of these additional units enabled some of the backlog of placements of children leaving care to be addressed and the target has therefore been reduced to 55 for 2007/08, and is expected to revert to 45 in subsequent years. However this area will continue to be monitored closely.

3.7.9 Move-on Accommodation

75 lettings are provided for move-on accommodation for voluntary organisations. These applicants will generally be leaving hostel type accommodation. A flow-through of applicants in this type of accommodation is essential, to provide better housing solutions when people are ready for independent living and to ensure services funded through the Council's Supporting People Programme are effectively used. This is a key theme in both our Homelessness Strategy and our Supporting People Strategy.

3.7.10 Adults Social Care

To reflect the change in Council structure, the old Social Services quota has been divided into two new quotas – Children in Need and Adults Social Care. Officers within Housing and Community Care are currently reviewing the departmental approach to move-on accommodation, particularly for adults leaving residential care placements. This is an area where further work is needed; in order to understand the level of demand, and ensure that best use is made of Supporting People funded accommodation, as well as permanent social housing. However this new quota will give this part of the department access to much needed properties, and provide housing solutions for a vulnerable client group.

3.7.11 A review of high need and high cost placements made by the department is under way, and officers are exploring the most effective ways of managing this complex area. A potential outcome of this ongoing work is that officers may wish to suggest further revisions to the proposed lettings targets during 2007/08. If this is the case, Members would be asked to approve any further amendments to these targets.

3.7.12 Overcrowding

Members will be aware that there are high levels of overcrowding in the borough. Approximately 45% of households on the Housing Register and Transfer List are currently living in overcrowded conditions. As this report has previously outlined, only a small proportion of the current demand for housing will be met via permanent lettings.

3.7.13 Of the 261 new build RSL properties expected to be available during 2007/08, 126 (46%) will be three bedroom properties or larger. Over the following two years, our RSL partners are aiming to deliver 523 new homes, with 171 of these being larger family sized units.

3.5.17 Given that permanent lettings can only assist a small proportion of those households who are living in overcrowded conditions, the Council has been developing other schemes to tackle this issue. In November last year, Brent received £2.15m from the GLA to deliver two initiatives to tackle overcrowding.

3.5.18 Of this funding, £1.5m was awarded to convert or extend 50 existing council owned properties. A works programme has been put together for 30 properties, of which 19 properties are tenanted and 11 properties are void. Officers within the Council's ALMO, Brent Housing Partnership Ltd, who are administering the works programme are currently assessing the remaining Council housing stock to identify a further 20 properties. This project is anticipated to be completed by March 2008.

3.5.19 The second initiative aims to provide home ownership opportunities for existing Council tenants by assisting them with purchasing their own property within the private sector. £650,000 has been allocated for this initiative and a target to assist 20 tenants has been set. The scheme is currently being reviewed to consider financial and legal implications for the Council and a further report will be presented to Executive in due course.

3.5.20 In addition to the Brent initiatives, the West London sub region was allocated £2.05m to help tackle overcrowding from the 2006-08 London Housing Pot, which is administered by the GLA. The aim was to extend or deconvert existing flats to deliver 41 four bedroom properties across the sub region. Brent has met its target to create 6 new 4 bedroom homes, and is seeking to deliver further properties under this scheme in 2007/08.

4.0 Financial Implications

4.1 The total agreed budget for expenditure on Temporary Accommodation for 2007/08 is £3,916,000. This figure includes a Housing Benefit Subsidy loss budget of £500,000. There are wider supply and demand factors which could impact on the ability to control this budget, including the level of approaches from homeless households and our ability to successfully prevent homelessness where possible, and therefore reduce overall temporary accommodation costs.

4.2 In the Homeless Strategy Update report presented at the last Executive, Members were advised that Housing Benefit subsidy cap levels for leased temporary accommodation have been reduced by 5% for 2007/08. A further reduction in the cap is expected to be announced for 2008/09, followed by a change in the way leased temporary accommodation rents are set from 2009/10 onwards. It is expected that this will mean that a separate payment will be made for management costs, probably through a grant mechanism.

4.3 Officers forecast that the impact on the Council of this change for 2007/08 is a loss of income of £818,000. This has been taken into account when preparing the Council's overall budget for 2007/08, however based on these figures current forecasts indicate that there will be a shortfall of £152,000 against the Temporary Accommodation budget. Officers will seek to contain this anticipated shortfall without impacting on overall service delivery, however this remains an area of concern which will be closely monitored.

5.0 Legal Implications

5.1 The primary legislation that governs the allocation of new secure tenancies is set out in Part VI of the Housing Act 1996 "the 1996 Act", as amended by the 2002 Act. 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 167 of the 1996 Act as amended by the 2002 Act), and to allocate strictly in accordance with that policy. An allocation which is not in accordance with the Council's own allocation policy will be "ultra vires" and deemed to be unlawful.

5.2 Brent has adopted Locata, a choice-based Allocations Scheme, working in partnership with other local authorities and RSLs in the West London Alliance. 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.

- 5.3 The primary legislation governing decisions on homeless applications is the Housing Act 1996, Part VII, which is 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.
- 5.4 On 14 November 2006, Ruth Kelly MP, the Secretary of State for Communities and Local Government, announced that by 2010, hotel accommodation will no longer be used to accommodate homeless 16 and 17 year olds, except in emergencies. However at present it is unclear as to whether and when a Statutory Instrument will be laid before Parliament to bring this change into effect.
- 5.5 As detailed in paragraph 3.5.12, there are ongoing discussions with regard to the best means of procuring the units of accommodation and the related management and maintenance of that accommodation and there is an intention to report back to the Executive to advise of the outcome of discussions. One option being considered is the leasing of accommodation with management and maintenance services included in the lease. If this option is selected then it would form a property transaction and would be likely to fall outside the EU Procurement Regulations. Another option being considered is to lease accommodation, but separately to procure management and maintenance services. If this option is selected, the estimated value of the contract for management and maintenance services over the lifetime of the contract is in excess of £144,371 and therefore the award of the contract is subject to EU Procurement Regulations. The provision of management and maintenance services falls within Part A Services under the EU Regulations and the contract is therefore subject to the full application of the EU Regulations. The nature of the arrangements will need to be finalised prior to seeking expressions of interest.
- 5.6 The estimated value of a contract solely for management and maintenance services over its lifetime is in excess of £500,000 and therefore the procurement and award of the contract is subject to the Council's Contract Standing Orders in respect of High Value contracts and the Council's Financial Regulations.
- 5.7 Standing Order 88 requires the Executive to consider a report setting out pre-tender considerations specified in Standing Order 89, which includes the evaluation criteria to be used in the tender process. Standing Order 84(a) does however provide that the Executive may decide that a contract need not be procured in accordance with the Council's Standing Orders if there are good financial and / or operational reasons for this. The Executive is therefore able to agree to inviting expressions of interest with Officers reporting back to the Executive in relation to pre-tender considerations including tender evaluation criteria following further discussions between the seven boroughs and prior to inviting tenders. Following such discussions, a report will be submitted detailing the outcome of discussions and including appropriate pre-tender considerations and seeking authority to invite tenders.

5.8 Standing Order 85 details that any collaborative procurement should comply with the Council's Standing Orders and Financial Regulations unless agreement of the Executive is obtained under Standing Order 84(a). Standing Order 84(a) does provide that the Executive may decide that a contract need not be procured in accordance with the Council's Standing Orders and Financial Regulations if there are good financial and / or operational reasons for this. It is proposed to procure the provision of accommodation units and management and maintenance services for those units in collaboration with six other London boroughs with the Royal Borough of Kensington and Chelsea leading on the collaborative procurement. The Executive is able to give approval to the non-application of the Council's Standing Orders and Financial Regulations on the basis that the Standing Orders and Financial Regulations of the Royal Borough of Kensington and Chelsea will instead apply to the procurement.

6.0 Diversity Implications

6.1 The most recent census data shows that Brent has the second highest ethnic minority population in London. The lettings targets, which are set annually, could potentially have a disproportionate impact on a particular ethnic group or groups. It is important therefore that this area continues to be closely monitored. Previous impact assessments have not demonstrated any adverse impact as a result of the letting process.

7.0 Staffing/Accommodation Implications (if appropriate)

7.1 None specific.

Background Papers

Executive

Temporary Accommodation Update (01/06)

Supply and Demand (07/06)

Temporary Accommodation Update (10/06)

Homelessness Strategy Update (03/07)

Contact Officers

Helen Clitheroe

Head of Housing Resource Centre

2nd Floor, Mahatma Gandhi House

34 Wembley Hill Road,

Wembley, Middlesex, HA9 8AD

Tel: 020 8937 2027

Fax: 020 8937 2023

E-mail helen.clitheroe@brent.gov.uk

Martin Cheeseman

Director of Housing & Community Care

Appendix A – Supply & Demand Model

	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009	2009/2010
DEMAND						
Transfers	1921	1832	2209	2100	2002	1907
Register (Non-homeless)	13724	12107	12948	13966	15062	16332
Homeless Applications	2800	2000	1782	1600	1500	1500
Homeless Acceptances	840	840	748	700	683	683
Fall Out Rate	-152	-162	-152	-191	-166	-139
Total New Demand	688	678	597	509	517	544
Families in T.A. Brought Forward	4238	4546	4309	4082	3476	2780
Net Homeless Demand	4926	5224	4906	4591	3993	3324
DEMAND FROM ALL GROUPS	18613	19163	20063	20656	21057	21563
PERMANENT SUPPLY						
Brent lets	565	546	435	442	425	420
Housing Association	395	577	495	479	476	452
PERMANENT SUPPLY (RSL's & Brent)	960	1123	930	921	901	872
LETTINGS						
Transfers	200	205	209	193	186	175
Register (Non-homeless)	313	246	222	273	215	197
Homeless	447	672	499	455	500	600
ALL PERMANENT LETTINGS	960	1123	930	921	901	972
Direct Lettings in the Private Sector	50	50	50	50	100	100
Out of Borough Lettings	40	40	14	40	40	52
Conversion of TA to Settled Accom	0	0	0	350	350	350
ALL LETTINGS (Incl Private Sector)	1050	1213	994	1361	1391	1474
RESIDUAL DEMAND						
Transfers	1721	1627	2000	1907	1816	1732
Register (Non-homeless)	11453	11861	12696	13693	14847	16135
Homeless (In T.A.)	4546	4309	4082	3476	2780	2243
UNMET DEMAND (After Lettings)	17720	17797	18778	19076	19443	20110
T.A. BREAKDOWN						
AST / HALS / PSL	2879	2735	2690	2173	1552	1105
B&B, incl. annexes	129	190	280	150	150	150
PLA	281	239	250	350	280	250
ALS	516	363	271	200	150	100
BDL	251	308	357	405	450	450
Hostel	85	112	48	48	48	48
Emergency RSL Hostel	30	30	30	30	30	30
Stonebridge HAT	46	46	6	0	0	0
Short-Life Lettings (Chalkhill, Church End etc)	198	155	20	20	20	20
Mother & Baby	35	35	130	100	100	90
ALL TEMPORARY ACCOMMODATION	4450	4213	4082	3476	2780	2243

Appendix B – Current Housing Demand – by list and bedrooms needed

Housing Register	Bedsit	1	2	3	4	5	6+	Total
CHILDREN LEAVING CARE	32		2					34
CHURCH END QUOTA (APPROVED)	2	1	2	1				6
CONTRIBUTION TO MOBILITY	1		6	3				10
FORMER SERVICE TENANT		1		1				2
HOUSING REGISTER	7,471	941	5,191	2,484	859	197	34	17,177
MEDICAL A (HOU REG)	39	33	45	28	15	2		162
OUT OF BOROUGH APPLICANTS	441	44	195	75	18	6	1	780
PROBATION SERVICE QUOTA	4							4
ROUGH SLEEPERS	1							1
SOCIAL SERVICES (HOU REG)			2	2				4
STONEBRIDGE HAT	1		2	2	1	1		7
SUCCESSION (UNDEROCCUPATION)	12	1	5					18
VOLUNTARY ORGANISATION QUOTA	86		1					87
Total	8,090	1,021	5,451	2,596	893	206	35	18,292

Transfer List	Bedsit	1	2	3	4	5	6+	Total
£1000 UNDER OCCUPATION	114	25	17					156
DECANT	4	1	9	2	1			17
INTRA-ESTATE TRANSFER	6	2	9	10				27
MANAGEMENT TRANSFER	24	2	23	24	15	4		92
MEDICAL A (TRANSFER)	20	8	15	8	3	1		55
TENANCY SEPARATION	3			1				4
TRANSFER LIST (APPROVED)	391	58	508	464	172	25	3	1,621
Total	562	96	581	509	191	30	3	1,972

Total Demand	8,652	1,117	6,032	3,105	1,084	236	38	20,264
---------------------	--------------	--------------	--------------	--------------	--------------	------------	-----------	---------------

Report Run: 27/02/07

Appendix C - Lettings Performance 2006/07 (April – January)

	TOTAL	BSR	1 BED	2 BED	3BED	4 BED+
	ACT	ACT	ACT	ACT	ACT	ACT
HOUSING REGISTER						
HOUSING REGISTER (HMLSS)	139	5	56	49	20	9
HOUSING REGISTER (OTHER)	21	7	10	2	2	0
SUB-TOTAL	160	12	66	51	22	9
MEDICAL 25 (HOMELESS)	0	0	0	0	0	0
MEDICAL 25 (REGISTER)	0	0	0	0	0	0
VOLUNTARY ORGANISATIONS	27	8	19	0	0	0
CONTRIBUTION TO MOBILITY	41	7	17	16	1	0
SOCIAL SERVICES/CHILDREN IN NEED	4	0	0	4	0	0
CHILDREN LEAVING CARE (HMLSS)	27	8	19	0	0	0
STONEBRIDGE HAT	1	0	0	0	1	0
ROUGH SLEEPERS INITIATIVE	0	0	0	0	0	0
PROBATION SERVICE	2	0	2	0	0	0
CHURCH END	0	0	0	0	0	0
FORMER SERVICE TENANTS	1	0	1	0	0	0
SUB-TOTAL	103	23	58	20	2	0
TRANSFERS						
DECANTS	10	0	8	1	1	0
TRANSFER LIST	35	0	12	17	4	2
MEDICAL 25 (TRANSFERS)	3	0	1	0	2	0
TENANCY SEPARATION	2	0	1	1	0	0
MANAGEMENT TRANSFER	15	0	3	5	4	3
INTRA-ESTATE TRANSFER	10	0	1	7	1	1
£1000 UNDER OCCUPATION	26	0	25	1	0	0
SUB-TOTAL	101	0	51	32	12	6
TOTAL	364	35	175	103	36	15

	TOTAL	BSR	1 BED	2 BED	3BED	4 BED+
	ACT	ACT	ACT	ACT	ACT	ACT
HOUSING REGISTER						
HOUSING REGISTER (HMLSS)	233	8	41	118	44	22
HOUSING REGISTER (OTHER)	54	9	29	13	3	0
SUB-TOTAL	287	17	70	131	47	22
MEDICAL 25 (HOMELESS)	0	0	0	0	0	0
MEDICAL 25 (WAITING LIST)	4	0	0	2	2	0
VOLUNTARY ORGANISATIONS	27	6	21	0	0	0
CONTRIBUTION TO MOBILITY	22	0	4	15	3	0
SOCIAL SERVICES/CHILDREN IN NEED	3	0	1	0	0	2
CHILDREN LEAVING CARE (HMLSS)	5	0	4	1	0	0
STONEBRIDGE HAT	0	0	0	0	0	0
ROUGH SLEEPERS INITIATIVE	0	0	0	0	0	0
PROBATION SERVICE	1	0	1	0	0	0
CHURCH END	3	0	0	0	3	0
FORMER SERVICE TENANTS	0					
SUB-TOTAL	65	6	31	18	8	2
TRANSFERS						
DECANTS	1	0	0	0	1	0
TRANSFER LIST	33	1	6	19	6	1
MEDICAL 25 (TRANSFERS)	3	0	0	1	1	1
TENANCY SEPARATION	0	0	0	0	0	0
MANAGEMENT TRANSFER	14	0	2	4	4	4
INTRA-ESTATE TRANSFER	0	0	0	0	0	0
£1000 UNDER OCCUPATION	14	1	10	3	0	0
SUB-TOTAL	65	2	18	27	12	6
TOTAL	417	25	119	176	67	30

Appendix D – Lettings Performance 2006/07 (April – January)

BRENT AND HOUSING ASSOCIATION

Note: The monthly targets are calculated on a pro rata basis. Rounding errors may result on the 'TAR' and 'VAR' columns.

	TARGET	PRO RATA	TOTALS		BSR				1 BED				2 BED				3BED				4 BED+			
	P.A.	TAR	ACT	VAR	TAR P.A.	PR TAR	ACT	VAR	TAR P.A.	PR TAR	ACT	VAR	TAR P.A.	PR TAR	ACT	VAR	TAR P.A.	PR TAR	ACT	VAR	TAR P.A.	PR TAR	ACT	VAR
HOUSING REGISTER																								
HOUSING REGISTER (HMLSS)	562	468	372	-96	28	23	13	-10	183	153	97	-56	232	193	167	-26	92	77	64	-13	27	23	31	9
HOUSING REGISTER (OTHER)	107	89	75	-14	27	23	16	-7	57	48	39	-9	17	14	15	1	4	3	5	2	2	2	0	-2
SUB-TOTAL	669	558	447	-111	55	46	29	-17	240	200	136	-64	249	208	182	-26	96	80	69	-11	29	24	31	7
MEDICAL 25 (REGISTER & HMLESS)	25	21	4	-17	1	1	0	-1	8	7	0	-7	8	7	2	-5	5	4	2	-2	3	3	0	-3
VOLUNTARY ORGANISATIONS	85	71	54	-17	20	17	14	-3	65	54	40	-14	0	0	0	0	0	0	0	0	0	0	0	0
CONTRIBUTION TO MOBILITY	50	42	63	21	3	3	7	5	20	17	21	4	20	17	31	14	5	4	4	0	2	2	0	-2
SOCIAL SERVICES/CHILDREN IN NEED	12	10	7	-3	0	0	0	0	5	4	1	-3	3	3	4	2	3	3	0	-3	1	1	2	1
CHILDREN LEAVING CARE (HMLESS)	65	54	32	-22	25	21	8	-13	40	33	23	-10	0	0	1	1	0	0	0	0	0	0	0	0
STONEBRIDGE HAT	4	3	1	-2	0	0	0	0	1	1	0	-1	2	2	0	-2	1	1	1	0	0	0	0	0
ROUGH SLEEPERS INITIATIVE	4	3	0	-3	4	3	0	-3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PROBATION SERVICE	8	7	3	-4	4	3	0	-3	4	3	3	0	0	0	0	0	0	0	0	0	0	0	0	0
CHURCH END	11	9	3	-6	0	0	0	0	2	2	0	-2	3	3	0	-3	5	4	3	-1	1	1	0	-1
FORMER SERVICE TENANTS	5	4	1	-3	0	0	0	0	1	1	1	0	2	2	0	-2	2	2	0	-2	0	0	0	0
SUB-TOTAL	269	224	168	-56	57	48	29	-19	146	122	89	-33	38	32	38	6	21	18	10	-8	7	6	2	-4
TRANSFERS																								
DECANTS	27	23	11	-12	0	0	0	0	9	8	8	1	7	6	1	-5	6	5	2	-3	5	4	0	-4
TRANSFER SCHEME	95	79	68	-11	6	5	1	-4	29	24	18	-6	35	29	36	7	22	18	10	-8	3	3	3	1
MEDICAL 25 (TRANSFERS)	22	18	6	-12	0	0	0	0	9	8	1	-7	6	5	1	-4	5	4	3	-1	2	2	1	-1
TENANCY SEPARATION	2	2	2	0	0	0	0	0	2	2	1	-1	0	0	1	0	0	0	0	0	0	0	0	0
MANAGEMENT TRANSFER	49	41	29	-12	1	1	0	-1	6	5	5	0	19	16	9	-7	17	14	8	-6	6	5	7	2
INTRA-ESTATE TRANSFER	30	25	10	-15	0	0	0	0	11	9	1	-8	13	11	7	-4	6	5	1	-4	0	0	1	1
£1000 UNDER OCCUPATION	62	52	40	-12	2	2	1	-1	51	43	35	-8	9	8	4	-4	0	0	0	0	0	0	0	0
SUB-TOTAL	287	239	166	-73	9	8	2	-6	117	98	69	-29	89	74	59	-16	56	47	24	-23	16	13	12	-1
TOTAL	1225	1021	781	-240	121	101	60	-41	503	419	294	-125	376	313	279	-35	173	144	103	-41	52	43	45	2

Appendix E – Lettings Targets 2007/08

BRENT AND HOUSING ASSOCIATION - Projected Lettings 2007/08

	BSR	1 BED	2 BED	3BED	4 BED+	Total
Brent	59	190	124	45	24	442
RSL	0	197	179	83	20	479
Total	59	387	303	128	44	921

	BSR	1 BED	2 BED	3BED	4 BED+	TOTAL
HOUSING REGISTER (HOMELESS)						
HOUSING REGISTER (HMLSS)	10	130	200	80	30	450
MEDICAL 25 (HMLSS)	0	1	2	1	1	5
CHILDREN LEAVING CARE	8	47	0	0	0	55
SUB-TOTAL	18	178	202	81	31	510
HOUSING REGISTER						
HOUSING REGISTER (OTHER)	15	33	12	3	1	64
MEDICAL 25 (REGISTER)	0	1	0	0	0	1
VOLUNTARY ORGANISATIONS	20	55	0	0	0	75
CONTRIBUTION TO MOBILITY	0	17	20	2	1	40
CHILDREN IN NEED	0	0	2	2	1	5
ADULTS SOCIAL CARE	0	16	3	1	0	20
STONEBRIDGE HAT	0	0	1	1	0	2
PROBATION SERVICE	4	4	0	0	0	8
FORMER SERVICE TENANTS	0	1	1	1	0	3
SUB-TOTAL	39	127	39	10	3	218
TRANSFERS						
DECANTS	0	7	4	3	1	15
TRANSFER LIST	1	20	36	15	3	75
MEDICAL 25 (TRANSFERS)	0	2	2	2	1	7
MANAGEMENT TRANSFER	0	4	11	15	5	35
INTRA-ESTATE TRANSFER	0	2	6	2	0	10
£1000 UNDER OCCUPATION	1	47	3	0	0	51
SUB-TOTAL	2	82	62	37	10	193
TOTAL	59	387	303	128	44	921