 Brent	<p style="text-align: right;">Executive 15 July 2013</p> <p style="text-align: center;">Report from the Strategic Director of Regeneration and Growth</p>
<p style="text-align: right;">Wards Affected: ALL</p>	
<p>Supply and Demand of Accommodation</p>	

1.0 Summary

- 1.1 This report seeks Members' approval of the lettings projections for social housing for 2013/14. It also provides an analysis of housing supply and demand issues, including performance in 2012/13 and challenges for 2013/14 onwards. A number of recommendations are made in order to manage these challenges.

2.0 Recommendations

- 2.1 That Members approve the lettings projections for 2013/14, as detailed in paragraph 3.3 and in Appendix C
- 2.2 That Members note the analysis of housing supply and demand issues, including performance in 2012/13 and challenges for 2013/14 onwards.
- 2.3 That Members approve the proposed pilot of incentives for mutual exchanges for under-occupiers living in BHP accommodation, as detailed in paragraph 5
- 2.4 That Members approve the proposed amendments made to the Allocations Scheme, as detailed in paragraph 4

3.0 Detail

- 3.1 The body of this report is divided into five sections, which cover:
- Supply and demand analysis, trends and performance in 2012/13,
 - Proposed lettings projections for 2013/14,
 - A brief outline of some of the issues and challenges facing the Council from 2013/14 onwards, which can be expected to have an impact on housing supply and demand.

- Details of a proposed pilot scheme to incentivise BHP tenants downsizing through mutual exchange
- Details of proposed amendments to the revised Allocations Scheme

3.2 **Supply and Demand Analysis, Trends and Performance in 2012/13**

3.2.1 Demand for Housing

The significant gap between the demand for housing assistance and the available supply of social rented accommodation, particularly in London, has been well documented. In Brent, demand from households at risk of homelessness, households in temporary accommodation, Council tenants seeking a transfer, and applicants on the Housing Register is mapped against expected future trends and supply levels, both in terms of social rented accommodation, but also from within the private rented sector.

3.2.2 Current projections show that the level of unmet demand in the Borough is over 10,366 households. However it should be noted that this figure excludes demand from households on the Housing Register who are in Band D (and therefore under the Council's Allocations Scheme, have no identified housing need). Including these households would give a level of unmet demand within the Borough of 14,441 households. The new Allocations Policy is due to go live on the 1st October 2013. In the new Allocation Scheme four bands will be retained, with bands A-C reflecting some level of housing need, while band D will be re-designated as an "inactive" band. This would enable households with no apparent need to register, to have access to housing options information, to update their position if circumstances changed and might entitle them to a higher banding and, in limited circumstances, to bid where no successful bid is made by an applicant in a higher band.

3.2.3 Housing Register and Transfers Demand

Total current demand on the Housing Register, including homeless households in temporary accommodation, and the Transfer list is just over 19,000 households. Of these, 70% are in Bands A to C. In contrast we expect to make around 844 lettings into permanent social housing tenancies (Council and housing association) by the end of 2013/14 – this meets around 9% of the current total demand from Bands A to C.

3.2.4 A breakdown of current applications on the lists, by demand group and the number of bedrooms needed is provided in Appendix A.

3.2.5 Homelessness Applications and Decisions

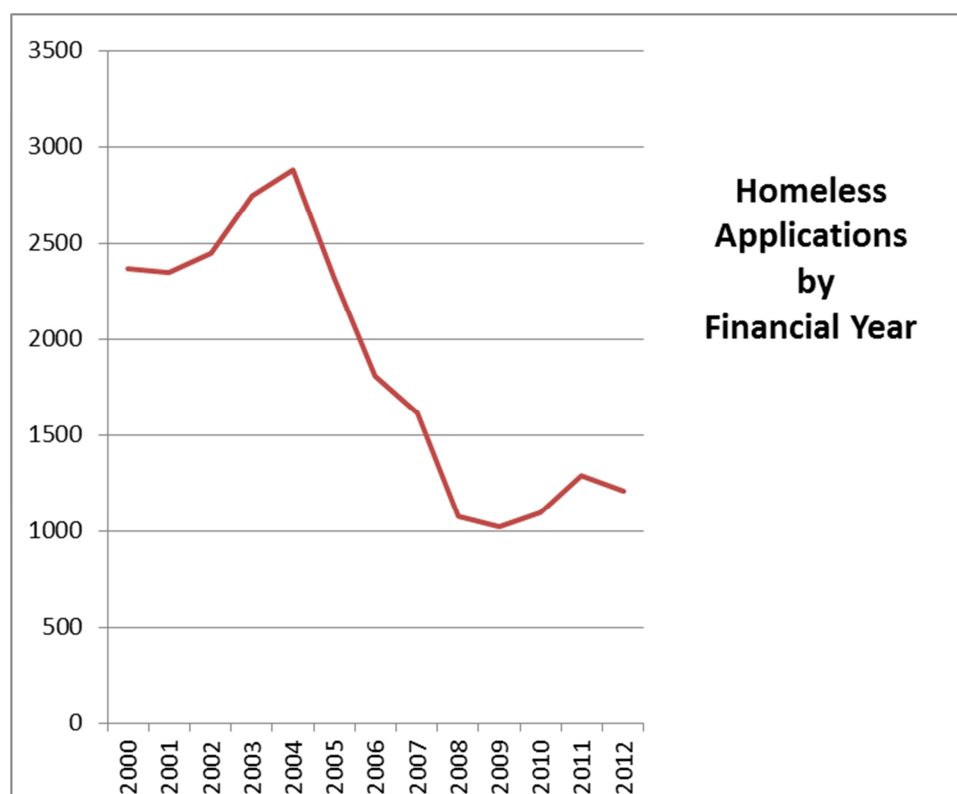
Not all households who make a formal homeless application are assisted with accommodation, although all are provided with appropriate advice. The Council makes a formal assessment against a number of criteria as prescribed in legislation, before determining whether it has a long-term duty to rehouse a homeless household.

3.2.6 The graph below shows how the number of homeless applications has varied since 1995/96. As the graph shows, homeless applications began to decrease in 2005/06, when the Council first implemented an in-house housing advice

service. The success of this team in either preventing homelessness or providing alternative accommodation (generally in the private rented sector) is demonstrated through the marked drop in statutory homeless applications received from 2005 to 2010.

- 3.2.7 However this downward trend was reversed in 2011/12, with a 35% increase in homeless applications received in 2011/12.

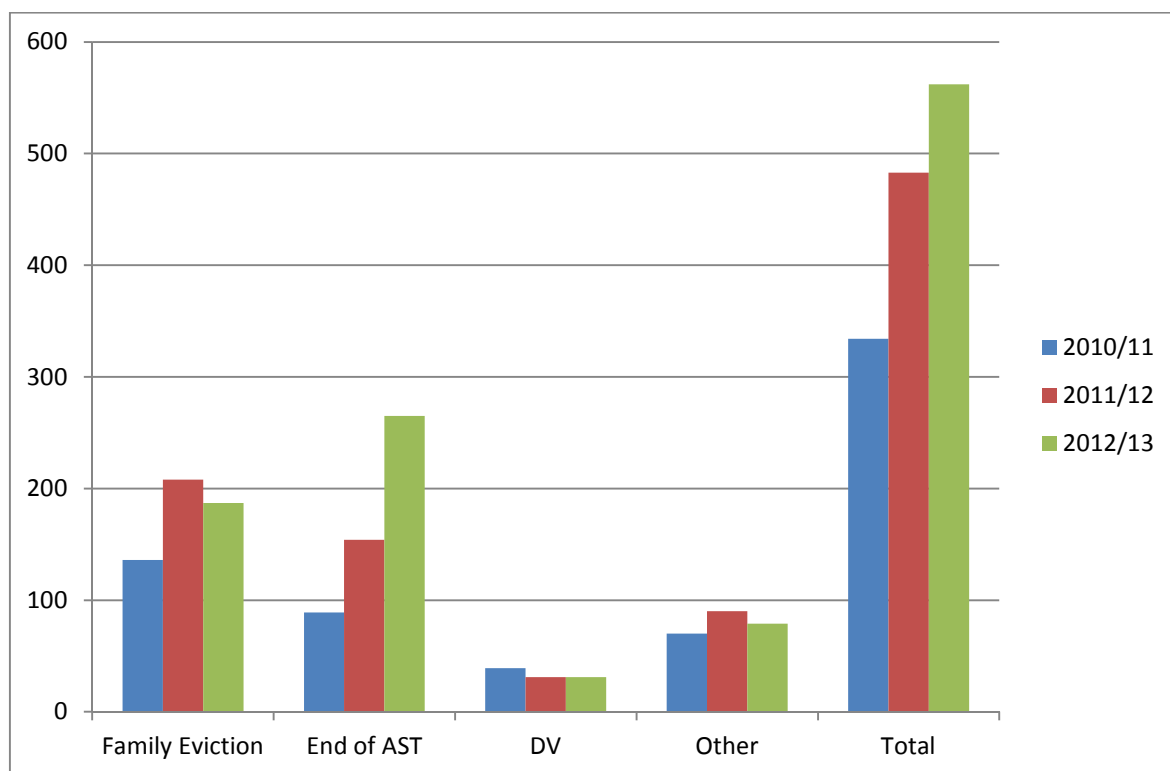
Table 1 - Number of Homeless Applications



- 3.2.8 Government figures released in June 2013 show that the number of homeless households in England has risen by 6% over the past year, to the highest in five years. The number of households accepted as homeless in London the final quarter of 2012/13 increased by 6% from the same quarter last year and accounts for 30% of the England total.

- 3.2.9 The number of households to whom the Council has accepted a full rehousing duty to, increased by 16% in 2012/13. This increase in homelessness acceptances is largely attributable to a sharp rise in the number of households who became homeless due to the end of a letting in a private sector property. Historically the main reason for homelessness in Brent has been due to Family/Friends excluding applicants. However in 2012/13, the main reason for homelessness was due to a private sector tenancy ending (end of an Assured Shorthold Tenancy), family/friend evictions was the second main cause of homelessness and domestic violence (DV) the third main cause.

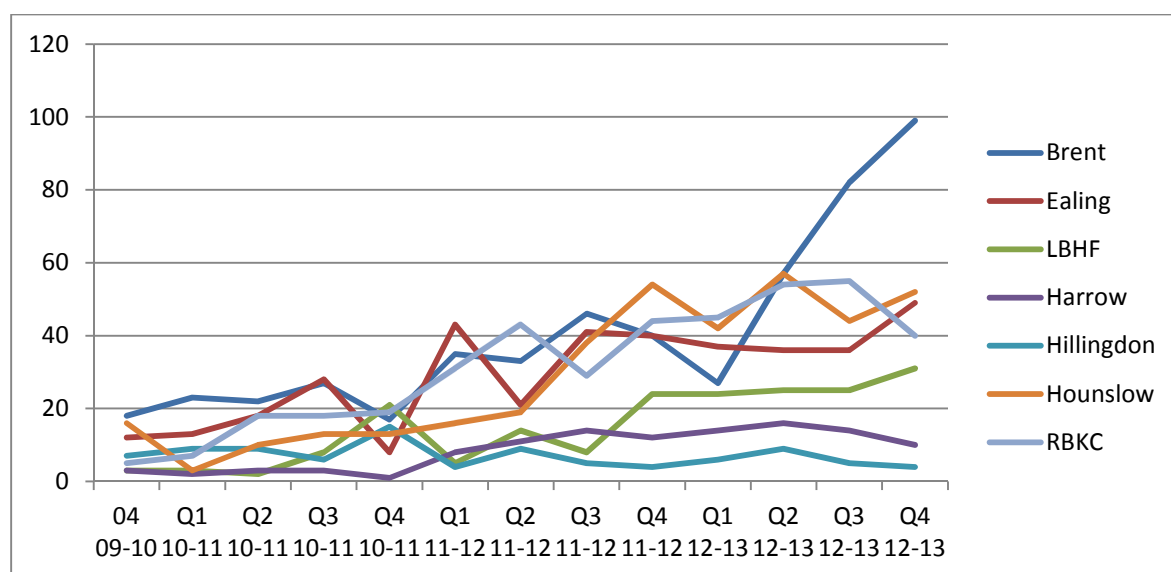
Table 2 – Reason for Homelessness of Accepted Applications by Financial Year.



- 3.2.10 This increase in evictions in the private sector is due to the impact of the changes in Local Housing Allowance (LHA). A package of changes was announced by the government in 2011, which included setting a cap for the maximum LHA payable per property size with an overall limit set at the four-bed rate. Although these changes came into effect from 01/04/11 for all new tenancies agreed from that date onwards, existing tenancies were subject to transitional protection for up to nine months (until the anniversary of their claim). This transitional protection resulted in a delay in the expected rise in evictions, due to households not being able to meet the rental shortfall from their own funds. .
- 3.2.11 Analysis of homeless acceptances in 2012/13 shows that 47% of cases were homeless because of the end of a letting in a private sector property. This compares to 32% in 2011/12 and 26% in 2010/11. Whilst not all these cases can be directly attributed to the LHA changes (as there may have been other reasons for the landlord wishing to end the tenancy), the timing of the LHA cap being applied when the current market conditions in the PRS are so buoyant, would suggest that the majority of these cases were made homeless as a direct result of the cap being applied.
- 3.2.12 There were 17,043 households living in private rented accommodation in Brent in 2001, representing 17% of the total households. The 2011 Census showed that the number of households living in private rented accommodation had increased to 31,784 (an 86.5% increase), with this category now representing 28.8% of

households in Brent. The increase in the number of households living in the private rented sector accounts for the significant increase in homelessness because of the end of a letting in a private sector property, which has been particularly high in Brent compared to our neighbouring boroughs in West London. (see table 2 below). This increase is also due to the South of Brent being within the Inner London Broad Rental Market Area (BRMA), which is used to calculate LHA rates, coupled with high levels of benefit dependency in the borough.

Table 3 – Number of Accepted Homeless Applications in West London due to End of an Assured Shorthold Tenancy



- 3.2.13 Dedicated LHA Mitigation Teams were established in Housing Needs and the Revenue and Benefits service, funded by a one-off grant from the Department of Communities and Local Government (DCLG) in 2011/12 to help mitigate the impact of the Local Housing Allowance changes on the most vulnerable households. It is reasonable to assume that the number of homeless approaches would be far greater without this positive intervention work.
- 3.2.14 As anticipated, the LHA caps have also had a significant impact on the Council's ability to procure properties in the private rented sector for direct lettings, and therefore prevent homelessness. The LHA caps make it unaffordable for households who require 2 bedrooms or more to live in the South of Brent, unless they are in receipt of Working Tax Credit (and therefore exempt from the Overall Benefit Cap). Although the North of the borough is still potentially affordable for households who require one or two bedroom properties, landlords in the North of the borough do not tend to rent accommodation to households in receipt of benefits, as market rents in the North of the borough outstrip the LHA rate.

3.2.15 The Council procured a total of 548 private sector properties for direct lettings, in 2010/11. However in 2011/12, the number of properties procured dropped to 265 followed by a further drop to 164 properties in 2012/13. Officers are actively working to improve this situation and the Private Sector Landlord forum is being re-launched in July 2013 to encourage interest. However it is expected that levels of procurement in Brent will remain low, due to the LHA changes

3.2.16 Rough Sleepers

Definitions of 'rough sleeping' have changed over time; until 2010 rough sleeping was defined as those 'sleeping, or bedded down, in the open air, or in buildings or other places not designed for habitation'. In 2010 the definition expanded to include rough sleepers 'about to bed down' e.g. sitting or standing near their bedding but not actually lying down and to people living in tents.

3.2.17 Formal counts of people sleeping rough have been conducted in Brent since 2006 and the outcomes of these are set out in the table below. These figures represent a snap shot of the extent of rough sleeping on a given night where known rough sleeping 'hot spots' are visited and rough sleepers counted in accordance with DCLG guidance described in paragraph 3.2.18 above. A further count is expected to take place in November 2013.

Table 4: Snapshot rough sleeping street count

Date of count	Number of rough sleepers verified
March 2006	1
November 2008	4
November 2009	4
November 2010	3
November 2011	7
November 2012	11

3.2.18 A more accurate picture of the levels of rough sleeping is shown in Table 2 which sets out those rough sleepers verified under DCLG definitions as set out in paragraph 3.2.1 above throughout the year from April 2005 when data collection started

Table 5: Rough sleeping street verified throughout the year

Financial year	Total number of rough sleepers verified	Flow (new to rough sleeping)	Stock (living on the streets 2+years)	Returners (returning to the street after a year of settled living)
2005/2006	43	Not recorded	Not recorded	Not recorded
2006/2007	61	Not recorded	Not recorded	Not recorded
2007/2008	83	Not recorded	Not recorded	Not recorded
2008/2009	139	132	2	5
2009/2010	75	68	3	4
2010/2011	39	38	1	0
2011/2012	166	155	6	5
2012/2013	235	208	9	6

- 3.2.19 Brent has seen an increase of 267% of verified rough sleepers across the last two financial years at the formal snapshot rough sleeping counts (Table 1) which compares to a national average increase of 23% and a London average increase of 43%. However, in real terms based on the numbers of rough sleepers verified throughout the year, the increase has been over 500% over the last three financial years (Table 2).
- 3.2.20 Brent has not traditionally had high numbers of people 'living on the street' but again this is an increasing trend over the last two financial years and we now have six people living on the streets. This is of concern due to the complexities associated with the reasons people live on the streets and the challenges faced in assisting people into settled living or supporting and/or removing those who have no recourse to public funds.
- 3.2.21 The DCLG have allocated funding nationally to support authorities to provide services for single non priority people with acute housing need and to prevent rough sleeping over 2012/13 and 2013/14. The total allocated to the West London Sub Region is £1m of which £500,000 is being held by RBKC and used to fund sub regional projects including incentive schemes to move to the private rented sector and the West London Reconnect Project. The remaining £500,000 has been distributed to boroughs for borough specific projects. The Brent funding of £78,000 is being used to fund procurement of private rented sector accommodation to prevent and deal with street homelessness for the under 35's, additional outreach and resettlement staff to increase the capacity of Cricklewood Homeless Concern which provides this service and the annual winter shelter.
- 3.2.22 Beds in Sheds
Brent received £163k in 2012/13 from the DCLG to support work which responds to problems related to 'beds in sheds'. An action plan was agreed by Planning Committee last year that set out measures the Council would employ to deal with the problem. This one off grant is contributing to the funding of two additional planning enforcement officers to the end of 2013/14. A shed mapping system and aerial photographs have also been acquired and are being used to identify where new sheds have been built
- 3.2.23 There are two main areas of work that have been identified. The first is reacting to complaints from members of the public. In this regard officers have been carrying out publicity and raising awareness in the form of articles in the Brent Magazine, developing and improving joint working arrangements and understanding within the Council, particularly the Audit and Investigations Unit, and with partner agencies such as the Police, Fire Brigade, and the UKBA. Officers have also attended the local Brent Connects forums.
- 3.2.24 The second area of work relates to the proactive investigations that officers have been conducting. This involves using aerial photographs to identify new outbuildings which may be used as living accommodation. So far survey work has been carried out in conjunction with the police in the following areas:-

- Parts of Alperton
- Parts of Queensbury and Fryent
- Most of Wembley Central and Tokyngton Wards
- Parts of Dudden Hill
- Brondesbury Park
- Half of Welsh Harp

3.2.25 Officers have to date surveyed 326 buildings. Of these 36 (11% of buildings survey) amounted to beds in sheds where enforcement action will be pursued. A further 22 (6.7 %) may amount to a potential breach and further consideration is required. 160 (49.1%) did not amount to a breach of planning control. 100 (30.7 %) buildings could not be accessed and require a further visit. Breaches of other forms of planning control were identified at 8 (2.5%) properties.

Officers have so far surveyed 50% of the areas of the borough that have been identified as known potential problem areas. Therefore it is projected at the end of the project, officers will have found in the region of 100 beds in sheds

3.2.26 Households Living in Temporary Accommodation

Numbers in TA have increased by 2% during 2012/13, an increase of 62 households. As at the end of March 2013, there were a total of 3,246 households in temporary accommodation. The future challenges facing the Council as outlined in section 3.4, and the current rising trend in homelessness is expected to result in increasing pressure to use TA for homeless households. However, new powers introduced under the Localism Act 2011, to discharge homelessness duties to the Private Rented Sector, as opposed to placing households in TA, is predicted to have a positive impact on the number of households placed in TA, as long as the Council can source a sufficient supply of suitable accommodation in the Private Rented Sector.

3.2.27 The majority of temporary accommodation that the Council uses is self-contained property (flats / houses), owned by a landlord and leased to a housing association, or managing agent. The actual length of time that households can expect to live in temporary accommodation will depend on individual circumstances, particularly the size of the accommodation that is required. Households requiring three bedrooms or more can expect to wait in excess of 8 years for a permanent offer of accommodation.

3.2.28 With the introduction of the LHA caps, the overall benefit cap in August 2013, Universal Credit likely to be implemented for new claims from November 2013 and the anticipated changes to the Temporary Accommodation subsidy, it will become increasingly difficult to procure two, three, four and five bed accommodation within the geographical boundaries of the Borough under any of Brent's existing TA leasing schemes

3.2.29 The Council has therefore entered into a new leasing contract with 18 accommodation providers to procure properties in cheaper areas of the country, therefore minimising subsidy loss incurred. This will result in a higher number of out of borough placements, particularly for larger sized households. Out of borough placements have risen from 120 households accommodated outside of

the borough in February 2012 to 326 in May 2013, (a 368% increase.). This figure is expected to rise further due to the increasing demand pressures. There will also be a corresponding increase in the amount of legal challenges and requests for suitability of accommodation reviews that the Council deals with. There is a risk that if we lose these legal challenges, the council will have no choice but to accommodate households with-in the borough, and make up the financial shortfall between the more expensive rents in borough and the household's benefit entitlement.

3.2.30 Homeless Households in Hotels / Hostels

The Homelessness Order 2003 which came into force on 1 April 2004 means that local authorities cannot legally discharge their homelessness duty to secure accommodation by placing families with children in B&B unless nothing else is available, and even then for no longer than six weeks.

3.2.31 The number of households in hotels has remained fairly static during 2012/13 with an average of 237 households per month living in bed and breakfast accommodation. However, there has been a sharp increase in the use of bed and breakfast accommodation in the first quarter of 2013/14, and the figure as at the end of May 2013 was 289. This increase is a direct result of the increase in homeless approaches from private sector tenants, who have been evicted from their accommodation due to the LHA caps.

3.2.32 The number of families with children in B&B for longer than six weeks has been managed to ensure that we remain compliant with the Homelessness Order. However with rising demand and a decreasing supply of affordable accommodation available, the Council has reported have one family with children in B&B for more them 6 weeks at the end of quarter three, and eleven families at the end of quarter four. We have been invited by DCLG to bid for a maximum of £300K grant money to help to tackle this issue. A bid will be submitted to fund two posts to work proactively with families in B&B to help them to find alternative accommodation in the private rented sector.

3.2.33 Many London Council's have experienced similar spikes in the use of bed and breakfast accommodation, as Welfare Reform impacts. This has resulted in the increasing use by Councils of expensive commercial hotels (Travelodge, Holiday Inn etc.), which has been reported in recent articles in the media. In 2012/13 and the current year, there have been 2 placements in this type of hotel by Brent. The first was for a period of seven days, the reason being that there was a severely disabled child in the household and no other suitable property could be identified. The second placement was of a disabled single man, and was for one night only.

3.2.34 Permanent Lettings 2012/13

At the beginning of each financial year, Members are asked to approve a set of detailed lettings projections. The table below summarises actual lettings performance for 2012/13 against the projections that were originally agreed.

Table 6 – Lettings Variance from Targets – 2012/13

		Targets 2012/13	Actuals 2012/13	% Variance
Target Group	Homeless	370	299	-19%
	Register	256	218	-15%
	Transfer	342	153	-55%
	Total	968	670	-30.8%

3.2.35 Since the Council operates a choice based lettings system (Locata); it is likely that there will be some variation from original projections. However officers continue to monitor performance against these expectations, in order to ensure that lettings support a range of strategic priorities.

3.2.36 As the table shows, 30.8% fewer lettings were achieved than had originally been expected. This is mainly due to the original forecast of Housing Association units that would be available for letting during 2012/13 was 553, however the actual number of units that were available was 268 (a 51% reduction). The reason for the decrease in the number of Housing Association units that were available was due to a combination of slippage in the delivery of new build units, and fewer relets of units, due to uncertainty around the impact of Welfare Reform.

3.2.37 The target achieved for lettings to BHP units during 2012/13 was 402 against a forecast of 415.

3.2.38 A detailed breakdown of lettings made in 2012/13, with a breakdown of beds needed and demand groups is provided in Appendix B.

3.3 Proposed Lettings Projections 2013/14

3.3.1 By analysing trends in Council and Housing Association lettings and taking into account the availability of new build supply for social renting, officers currently expect to achieve a total of 844 lettings during 2013/14.

3.3.2 The majority of these lettings will become available through re-lets within existing social housing stock. However the Council expects a total of 163 properties to be delivered through the new build programme. This forecast is on the basis that the units will be available for occupation during 2013/14. A level of contingency has been assumed to allow for slippage. The fall in the volume of new build and re-lets from last year is a result of a drop in starts on site seen during 2012 and uncertainty with respect to re-lets due to housing and welfare reforms.

- 3.3.3 The table below summarises the distribution of these lettings across the different bedroom categories.

Table 7 – Brent and Housing Association – Projected Lettings 2013/14

	Bedsit	1 bed	2 bed	3 bed	4 bed +	Total
Brent	20	145	175	65	15	420
RSL	9	117	176	102	20	424
Total	29	262	351	167	35	844

- 3.3.4 It should be noted that projected lettings will only be able to meet a small proportion of the total housing need in the Borough. Members will recall that previously they were asked to agree a detailed set of lettings targets for each demand group in line with the Council's Allocations Scheme and strategic priorities. However, the implementation of Locata (the choice based allocations scheme) gave officers less direct control over lettings and provided choice to applicants on the Housing Register about where to live.
- 3.3.5 Since projected lettings can only meet a small proportion of the housing need in the borough, it is therefore important that the prioritisation of lettings is carefully considered. The different demand groups reflect priorities as set out in the Allocations Scheme, and officers therefore consider it appropriate to provide a detailed set of projections based on these demand groups. In addition, specific quotas have been set for a small number of high priority groups, for example, Children in Need, Adults Social Care, and Under-occupiers.
- 3.3.6 Members are therefore asked to approve the lettings projections set out in Appendix D. This lettings scheme is similar to 2012/13 and supports a number of policy areas, strategic objectives and new initiatives, including the following groups.
- 3.37 Decants
40 lettings are projected to deal with transfers required due to decant needs and to take account of the South Kilburn Regeneration Scheme decant programme.
- 3.38 Under-occupiers and Overcrowded Tenants
80 lettings are projected for the Council's Under-occupation Scheme, which the Executive approved in April 2013. The implementation of the Size Criteria (Bedroom Tax) – (see paragraph 3.4.7 below), on the 1 April 2013, affected 2,000 households in Brent. To help mitigate the impact of the size criteria, Members approved a revised incentive policy, on 22 April 2013, for BHP tenants who are under occupying accommodation, to downsize to appropriately sized property. The void properties that will be created will make a significant contribution to the available pool of larger properties available for letting, and it is proposed to make direct offers of these vacated units to larger households currently living in TA, who will be affected by the Overall Benefit Cap. Section 4 below outlines proposals for a mutual exchange pilot scheme for BHP tenants.

- 3.3.9 Children Leaving Care
25 lettings from the Housing Register are targeted for Children Leaving Care, to assist the Children and Families department in rehousing young adults.
- 3.3.10 Adults Social Care
15 lettings from the Housing Register are targeted for Adults Social care nominations, particularly for adults leaving residential care placements, and other high need vulnerable customers.
- 3.3.11 Homeless Households
60% of lettings are targeted for homeless households - this percentage is higher than in previous years it is necessary to increase our % of permanent lettings to help mitigate the impact of the Overall Benefit Cap on the households currently living in TA in the South of the borough. Whilst the introduction, under the Localism Act, of the power to discharge a statutory homeless duty by securing suitable accommodation in the private rented sector will provide another means for the Council to assist homeless households who made their application after the 9th November 2012.

3.4 Challenges for Housing 2013/14 and onwards

- 3.4.1 The previous sections have highlighted the sizable gap between housing supply and demand for assistance, and have outlined some of the strategic priorities underpinning the 2013/14 lettings projections. However Members will already be aware that housing faces specific challenges over the coming year and beyond, due to Welfare Reform which are expected to have a significant impact on service delivery and the Council's ability to manage housing needs within existing budgets. This section outlines some of these challenges and explains what impact officers expect there to be on the service provided.
- 3.4.2 Local Housing Allowance Changes
Paragraph 3.2.10 above outlined the impact that the implementation of the changes to Local Housing Allowance has had to date. These changes are expected to have a continued impact on our ability to procure accommodation in the Private Rented Sector during 2013/14, and beyond, as landlords will be unwilling to engage with tenants in receipt of benefit.
- 3.4.3 In addition, from April 2012, the rules around levels of LHA payable to single under-25s (which limits payment to the rate for a room in a shared house) were extended to all single tenants under the age of 35 in April 2012. This has put further pressure on demand for single homeless services, as under 35's are finding it increasingly difficult to secure accommodation in the private rented sector.
- 3.4.4 Further reforms will take place in 2013/14 with a change to the way in which benefit rates are uplifted (from RPI to CPI).
- 3.4.5 Overall Benefit Cap (OBC)
The Overall Benefit Cap will limit the total amount of benefit payable to £500 per week for a non-working couple or single parent, or £350 for a non-

working single person. There are limited exemptions to the cap, chiefly for claimants in receipt of Disability Living Allowance or, crucially, working for 24 hours a week and claiming Working Tax Credit (16 hours per week for lone parents.) The reduction in entitlement will be taken off the claimant's housing benefit. The cap will be introduced to Brent claimants from 12th August 2013 over a 5 week period.

- 3.4.6 The Overall Benefit Cap was to impact on 2,700 households in Brent in total. Many households have changed their circumstances in order to be exempt from the cap, and the latest DWP figures received show that the cap will be applied to 2,267 households. A breakdown of the tenure of these households is shown in Table 3 below.

Table 3: Households affected by OBC by tenure

	Tenure	Number affected
Overall Benefit Cap	Temporary accommodation	750
	Private rented sector	1,050
	Brent Housing Partnership	42
	Other social landlord	413
	Private finance initiative	75
	Gypsy and traveller site	12
Overall Benefit Cap total		2,267

3.4.7 Size Criteria (the 'Bedroom Tax')

Introduced on 1 April 2013, 1,668 households in Brent were affected by the Size Criteria or Bedroom Tax. Claimants in social housing with one or more "spare" bedrooms in the property will have their benefit reduced by 14% or 25% of the total rent due.

Rooms spare	Number of households affected	% reduction of rent applied to HB receipt	Average weekly reduction
1 spare room	1249	14%	£17.50
2 or more spare rooms	419	25%	£32.66

3.4.8 Council Tax Support

Full Council agreed the localised Council Tax Support scheme in December 2012, and where appropriate, Council Tax bills to the 21,000 affected households were distributed in March 2013 for the 2013/14 financial year. Brent's proposed local Council Tax Support scheme is based on a small number of changes from the existing Council Tax Benefit scheme for working-age claimants (pensioners are protected from any impact), principal amongst them being:-

- A minimum claimant contribution of 20% towards Council Tax liability in most cases
- Higher non-dependant charge for other adults living in the claimant's property
- A steeper taper (30%) by which entitlement is reduced for those claimants with income above the means-test
- The freezing of premiums and allowances at 2012/13 rates

Many households will be making a contribution to their council tax bill for the first time, and will be doing so at a time when they are facing other financial pressures from other welfare reforms

3.4.9 Introduction of Personal Independence Payments (PIP)

Personal Independence Payments replace Disability Living Allowance from June 2013 for all claimants between 16 and 64 years of age. All new claims from this month will be assessed for the new scheme. From October 2013 and October 2015, existing claimants that have a significant change of circumstances – e.g., Children turning 16, claimants that have a Fixed Term DLA that needs to be renewed, and claimants that opt to be reassessed, will be assessed for PIP. From October 2015, existing claims will be invited to be assessed for PIP. The migration will be complete by October 2017.

The main change with the introduction of PIP is that there is no longer a lower rate to the Daily Living component of the payment. The 'Enhanced' and 'Standard' rates will continue. PIP also includes an on-going reassessment for the award, the frequency of reassessment will be based on how the disability affects the claimant.

The DWP is predicting that approximately 40% of claimants currently receiving DLA will not qualify to receive PIP. These claimants will be a high priority for receiving support from the council to cope with the change in circumstances. In many circumstances, DLA claimed against a member of the households was reason the household was exempt from other cuts, like the OBC and CTS.

3.4.10 Homelessness

From 9th November 2012, the Localism Act 2011 enabled Local Authorities to fully discharge the full housing duty by a Private Rented Sector Offer (PRSO). What this means is that the Council can discharge its homeless duty by securing suitable accommodation in the private rented sector for a minimum period of at

least 12 months. Members were made aware of this new power in a report on the Tenancy Strategy that went to the Executive in July 2012. Of course, this power could not be used before 9 November 2012. The Housing Needs have now set up a dedicated PRSO team to deal with these cases.

- 3.4.11 Officers will make the decision when an offer of a private rented property is made to a homeless case, having taken full consideration of the households individual circumstances and the facts that apply to their case, to ensure that any offer of accommodation that is made is suitable.
- 3.4.12 However, due to the affect of the Overall Benefit Cap, high rent levels in Brent and the lack of available accommodation in the private rented sector, it is likely that offers of accommodation will be made outside of the borough, and for larger households, outside of London. The ability to discharge the homeless obligation into the private rented sector could assist the Council in managing its temporary accommodation costs, since making use of the private rented sector in this way could reduce the overall number of households in TA, and the length of stay. However as outlined earlier in this report, the Council's ability to procure property in the private rented sector has been affected by the LHA caps and associated changes, and this would impact on this client group as well.
- 3.4.13 Private Rented Sector
As stated in paragraph 3.2.12 above, there has been an unprecedented growth in the number of households in Brent who live in rented accommodation in the Private Rented Sector (PRS). The number of households living in the PRS in Brent, as recorded in the 2011 Census (31,784) represents 28.8% of all households in the borough, and is already out of date. Based on the overall growth of the sector across London and the especially pronounced growth in Brent; we now estimate that the total is at least 30% of all households.
- 3.4.14 A likely consequence of Welfare Reforms is that households will choose to live in overcrowded and poor quality accommodation in the borough, rather than relocate to good quality accommodation in cheaper areas outside of Brent. It is also likely that a minority of unscrupulous landlords will take advantage of vulnerable households affected by Welfare Reform, by refusing to deal properly with disrepair issues, knowing that households will be unlikely to report them for fear of losing their accommodation in the borough. The private rented sector is therefore a key priority for officers, and a Private Housing Action Plan has been drafted to help tackle these issues.
- 3.4.15 In terms of improving standards in the private standards options are being considered around selective licensing. Legislation will only allow for selective licensing if the area is one of low-demand, or it can be demonstrated that there is a link to anti-social behaviour. A research project is underway, and the outcomes of this will be reported to Members in due course. Another option that is being considered is for improving management in the private rented sector by offering a management service. A viability exercise is being conducted in terms of establishing a lettings agency, to provide a high quality service to landlords and tenants alike. We will also be encouraging landlords to improve their skills, particularly through membership of the London Landlord Accreditation Scheme

3.4.16 Tenancy Strategy

The Localism Act 2011 included a requirement for local authorities to produce a Tenancy Strategy, setting out how it will use the new flexible tenancies (fixed term tenancies, at either a social or affordable rent), and how it expects partner housing providers to implement the policy. A draft policy was consulted on with stakeholders, including tenants and housing associations, and a report was presented to Members in July 2012, where the following recommendations were approved;

- Fixed Term tenancies will generally be introduced (with limited exceptions) and to allow partner housing providers to determine their own policies in respect of specific groups and circumstances, provided that these are broadly consistent with the council's priorities.
- To use Flexible Tenancies on the same basis as is proposed for other social landlords.
- That introductory or starter tenancies of 12 months be used for all new tenants, and in concert with fixed-term tenancies as relevant. This should also apply in the council's own stock. Five years normally, but with shorter and/or longer periods for specified groups / circumstances.

3.4.17 Allocations

The Localism Act 2011 makes provision to allow local authorities more flexibility to determine which households should be placed on the Housing Register, based on local needs and policy. However the existing statutory reasonable preference categories would remain (these include homeless households to whom a statutory duty is owed; overcrowded households; and those who need to move on medical or welfare grounds). The Act also gives the Secretary of State the power to make regulations specifying other classes of persons who must (or must not) qualify for an allocation of accommodation and setting criteria for local authorities when deciding whether or not a person qualifies for an allocation of accommodation

4.0 Allocations Scheme Updates

- 4.1 A report outlining proposed changes to the council's Allocation Scheme was presented at the April 2013 Executive meeting, where Members approved key changes to the current scheme.
- 4.2 It is now confirmed that the new Allocation Scheme will go live on 1st October 2013. This is to give sufficient time for new systems and procedures to be communicated with tenants, applicants and other stakeholders.
- 4.3 The report that went to Executive in April proposed that the residence qualification should be established through living in Brent for three out of the last five years and six out of the last twelve months before being able to bid through Locata. Having had regard to residential criteria of neighbouring councils, it is

now proposed that the residence qualification should be established through living in Brent at the time of the application and continually for the last five years.

4.4 The current proposed Allocation Scheme gives priority to households living in unsuitable accommodation. It is felt that the wording of unsuitable accommodation is too loose and that a tighter definition of what is deemed as “unsuitable” is required, to ensure that households with only minor disrepair issues are not being given priority for rehousing

4.5 The current proposed Allocation Scheme gives priority to households who are overcrowded due to being one bedroom deficient. Having had regard to the number of households in Brent who are overcrowded by just one room, and also what other neighbouring council’s are proposing in their schemes, it is considered that households who are overcrowded by one room should not automatically be given priority with-in the new scheme. Each case will be considered on its individual merits.

5.0 **Proposed mutual exchange pilot scheme for Brent Council tenants**

5.1 Mutual exchange offers a number of advantages over transfer to existing tenants, foremost being the ability to more closely specify the nature of the property they move to and its geographic location. The intention is to target the incentive at those households who are under occupying their property.

5.2 Whilst the trigger for developing the scheme has been changes to housing benefit entitlement for under-occupiers, the scheme can also be viewed as part of a wider initiative to reduce overcrowding in the borough as potential beneficiaries include those over retirement age who are not affected by the current benefit changes. The maximum payment for someone wishing to downsize through mutual exchange would be £1000 plus assistance with removal costs and access to the handyman service. This mirrors the current incentives for transfer but with a lower cash payment. No payment would be made to the household they were exchanging with.

5.3 Full payment would only be made to the under-occupier where the exchange results in a ‘perfect fit’ under the allocation scheme. Payments would be made on a ‘pro-rata’ basis where a perfect fit was not achieved. This would mean that:

- A tenant living in a two-bedroom property who decides to exchange with a single person/couple living in a one-bedroom property no payment would be made.
- Where a tenant under-occupying by two bedrooms (i.e. a three bedroom property) exchanges with an overcrowded household living in a two bedroom property a payment of £500 would be made to the under-occupying tenant (i.e. 50% of the amount that they would have received exchanging with someone in a one-bedroom property).

- 5.4 In effect payment is made on a pro-rata basis reflecting the degree, if any, of under occupation perpetuated by the mutual exchange. Where no under-occupation arises with the exchange with an overcrowded tenant the full payment would be made, but where a degree of under-occupation continues the payment would be reduced.
- 5.5 The rationale behind this is to encourage under-occupiers over retirement age to consider moving. Under the current transfer scheme they would only be able to downsize in line with the allocations policy. The proposed mutual exchange incentive scheme would enable them to in effect 'partially' downsize, making the scheme more attractive.
- 5.6 It is anticipated that the biggest incentive for mutual exchange would be support with the moving process and with moving costs. BHP is in the process of recruiting a Mutual Exchange Officer to provide support to residents both in terms of matching potential exchanges and in facilitating the actual move.
- 5.7 The Mutual Exchange Officer at BHP will be funded through existing funding mechanisms. It is anticipated that a pilot incentive scheme would involve approximately ten exchanges at a cost of approximately £10,000 including removal costs. This will be funded through existing budgets at BHP.
- 5.8 Adjustments will need to be made to the Mutual Exchange Policy to enable partial downsizing to be permitted.
- 5.9 The pilot would run for a maximum of six months dependent on take up.

6.0 Financial Implications

- 6.1 The total agreed Temporary Accommodation for 2013/14 is £5.57M. This figure includes an agreed growth bid of £2.45M, to help mitigate the impact of Welfare Reform.
- 6.2 However it should be noted that there are significant risks associated to this budget, due the number of variables around the implementation of the different Welfare Reforms highlighted above. Work around the mitigation of Welfare Reform is continuing, to try to further reduce the expected financial impact on the Council. Officers are meeting monthly to monitor this budget so that any variation can be reported as early as possible.

7.0 Legal Implications

- 7.1 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 is not governed by Part VII of the 1996 Act.

- 7.2 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.
- 7.3 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.
- 7.4 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). 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, if the homeless person accepts an offer of private rented accommodation where there is a fixed term of at least 12 months.
- 7.5 The duty under section 193 of the Housing Act 1996 will cease to exist if (I) the applicant ceases to be eligible for assistance; (II) the applicant ceases to occupy the accommodation as his/her only or principal home, or (III) the applicant becomes homeless intentionally from the temporary accommodation provided.
- 7.6 As stated above, the Localism Act 2011 has enabled Local Authorities to fully discharge the full housing duty by a Private Rented Sector Offer (PRSO) (s193 (7AA)-(7AC) Housing Act 1996 as amended by s.148(5)-(7) Localism Act 2011.
- 7.7 Paragraph 2 of Schedule 18 of the Housing Act 1996 gives local authorities the power to make payments to its tenants to move to other accommodation and that said paragraph states as follows: ‘A local housing authority may make payments to or for the benefit of a tenant or licensee of a dwelling-house within its Housing Revenue Account with a view to assisting or encouraging that person to move to qualifying accommodation. ... ‘qualifying accommodation’ means a

dwelling-house made available to the person concerned as a tenant or licensee by any of the following –

- (a) the local housing authority making the grant or any other local housing authority; or
- (b) registered social landlord’.

7.8 Sections 158 and 159 of the Localism Act 2011 set out the circumstances in which mutual exchanges can take place between lifetime tenancies (secure or assured) and fixed term/flexible tenancies. Schedule 14 of the Localism Act 2011 set out the grounds in which local authority and social housing/registered provider landlords can refuse mutual exchange requests,

8.0 Diversity Implications

8.1 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.

8.2 Take up of the Mutual Exchange scheme will be closely monitored and reported on separately. If officers propose to roll out this pilot scheme and seek the Executive’s approval in this regard, an equality impact assessment will be carried out which will be based on information obtained from monitoring how the pilot mutual exchange scheme has worked.

9.0 Staffing/Accommodation Implications (if appropriate)

None specific.

Background Papers

Executive

Supply and Demand and Temporary Accommodation (xx/xx/12)

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Appendix A - Current Live Applications

		Number of Bedrooms Required									Sum:
		0	1	2	3	4	5	6	7	8	
HOUREG	Adult Social Care	6	1	2	1	1					11
	CHILDREN LEAVING CARE	63		4							67
	CONTRIBUTION TO MOBILITY			1							1
	EMERGING HOUSEHOLDS	2		16	3						21
	HOUSING REGISTER (APPROVED)	29	6	48	227	116	33	6			465
	HOUSING REGISTER (NON APPROVED)	5,774	653	4,958	3,123	865	234	38	7	1	15,653
	MEDICAL A (HOU REG)	15	7	18	27	16	6				89
	OUT OF BOROUGH APPLICANTS	559	51	307	155	34	10	1	1		1,118
	PROBATION SERVICE QUOTA	4									4
	SOCIAL SERVICES (HOU REG)	1			2	5	1				9
	SUCCESSION (UNDEROCCUPATION)	17		1	1						19
	VOLUNTARY ORGANISATION QUOTA	36		2							38
HOUREG	Sum:	6,506	718	5,357	3,539	1,037	284	45	8	1	17,495
TRNLIST	#1000 UNDER OCCUPATION	38	2	3		1					44
	DECANT	27		26	20	1					74
	INTRA-ESTATE TRANSFER	3	1	6	3	2					15
	MANAGEMENT TRANSFER	20		19	22	17	11	2			91
	MEDICAL A (TRANSFER)	18	4	10	15	2					49
	TENANCY SEPARATION	2									2
	TRANSFER LIST (APPROVED)	473	56	430	458	156	17	3			1,593
TRNLIST	Sum:	581	63	494	518	179	28	5			1,868
	Sum:	7,087	781	5,851	4,057	1,216	312	50	8	1	19,363

Appendix B - Lettings Performance BHP and Housing Association - 2012/13

	Bedroom Size						
	1	2	3	4	3	4+	Grand Total
HOUSING REGISTER							
CHILDREN LEAVING CARE	40						40
EMERGING HOUSEHOLDS	22		1				23
HOUSING REGISTER (HMLESS)	173	17	7	2	1	1	199
HOUSING REGISTER (NON APPROVED)	29						29
MEDICAL 25 (HOMELESS)	6	1		1			8
Sub Total	270	17	8	3	1	1	299
ADULT SOCIAL CARE	6						6
CONTRIBUTION TO MOBILITY	35						35
FORMER SERVICE TENANT	3						3
HOUSING REGISTER (NON APPROVED)	110	15	4				129
MEDICAL 25 (REGISTER)	9		2	1			12
PROBATION SERVICE QUOTA	8						8
SOCIAL SERVICES (HOU REG)	1						1
VOLUNTARY ORGANISATION QUOTA	19	1					20
MEDICAL A (TRANSFER)			1				1
HOUSING REGISTER (OTHER)		2	2				4
Sub Total	191	18	9	1			219
TRANSFERS							
£1000 UNDER OCCUPATION	14						14
DECANT	40	1					41
MANAGEMENT TRANSFER	21	2	1				24
TRANSFER LIST (APPROVED)	65	3		2			70
MEDICAL A (TRANSFER)	3						3
Sub Total	143	6	1	2			152
Grand Total	604	41	17	6	1	1	670

Appendix C – Lettings Projections 2013/14

Brent and Housing Association – Projected Lettings 2013/14

	Bedsit	1 bed	2 bed	3 bed	4 bed +	Total
Brent	20	145	175	65	15	420
RSL	9	117	176	102	20	424
Total	29	262	351	167	35	844

	Bedsit	1 bed	2 bed	3 bed	4 bed +	Total
Housing Register (Homeless)	17	157	204	100	21	499
Housing Register	5	41	63	27	5	141
Transfers	7	64	84	40	9	204
Total	29	262	351	167	35	844