



Cabinet
28 August 2014

**Report from the Strategic Director of
Regeneration & Growth**

For Action

Wards affected: ALL

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

1. Summary

- 1.1 This report provides an analysis of housing supply and demand issues, including performance in 2013/14 and challenges for 2014/15 onwards. A number of recommendations are made in order to manage these challenges. These include consultation on revisions to the Council's Allocations Scheme.

2 Recommendations

That Cabinet:

- 2.1 Note the analysis of housing supply and demand issues, including performance in 2013/14 and challenges for 2014/15 onwards.
- 2.2 Agree the target proportion of social lettings for 2014-15 for homeless, housing register and transfer applicants
- 2.3 Note that consultation with our Registered Providers, households on the Housing Register and the voluntary sector has commenced on a proposed revision to the Allocation Scheme that will enable the direct allocation of social housing to Overall Benefit Cap affected households who have been living in temporary accommodation for longer than the average waiting time to receive an allocation of social housing for their bedroom category, and following the consultation to receive a further report for decision on this revision.

- 2.4 Note that consultation with our Registered Providers, households on the Housing Register and the voluntary sector has commenced on other proposed revisions to the allocation scheme as outlined below and detailed in Appendix D. Following the consultation a further report will be presented to Cabinet for decision on proposed revisions.

3 Introduction

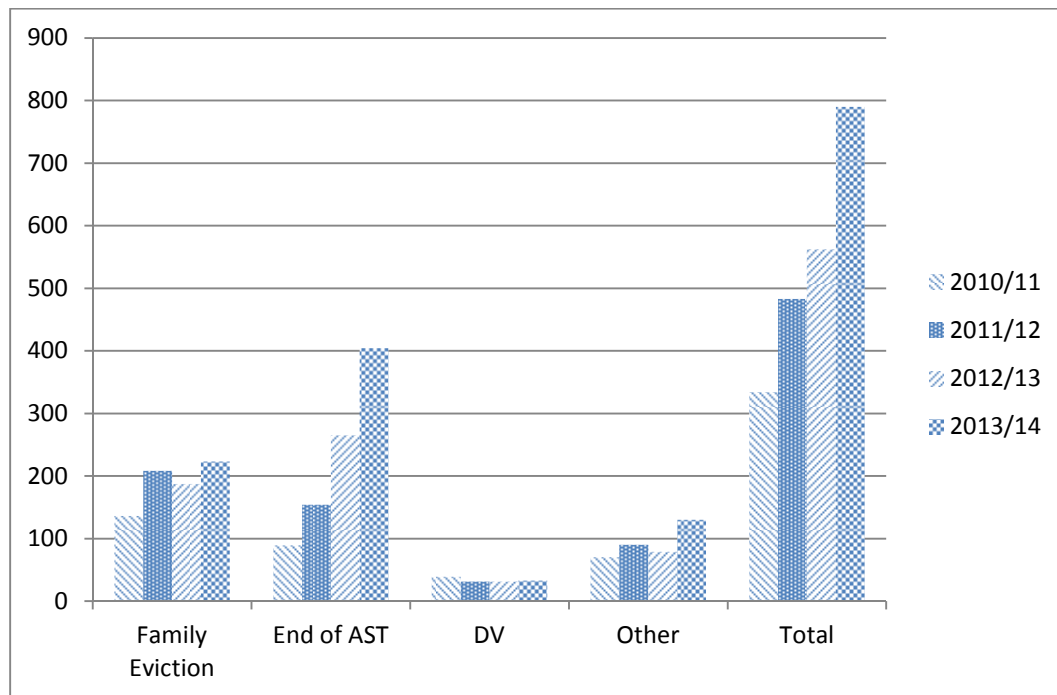
- 3.1 The body of this report is divided into the following sections:
1. Homelessness
 2. Temporary Accommodation
 3. Social Lettings

4 Homelessness

- 4.1 The significant gap between the demand for housing that is affordable and the available supply of both social housing and affordable private rented accommodation continues to increase in Brent. The demand for and supply of housing in the private rented sector that is affordable have both been significantly impacted in Brent by Welfare Reform, specifically the changes to Local Housing Allowance (LHA) and the introduction of the Overall Benefit Cap (OBC).
- 4.2 When a household approaches the council in housing need, the Housing Options team will try to prevent homelessness wherever they can. If this is not possible the Housing Options team makes a formal assessment against a number of criteria as prescribed in homelessness legislation, before determining whether there is a statutory duty to rehouse a homeless household.
- 4.3 This duty to provide accommodation for accepted homeless households may be discharged by the council providing a property in the Private Rented Sector (PRS) for all households who made their application on or after 9 November 2012. Duties owed to homeless households who applied before that date are discharged by providing social housing

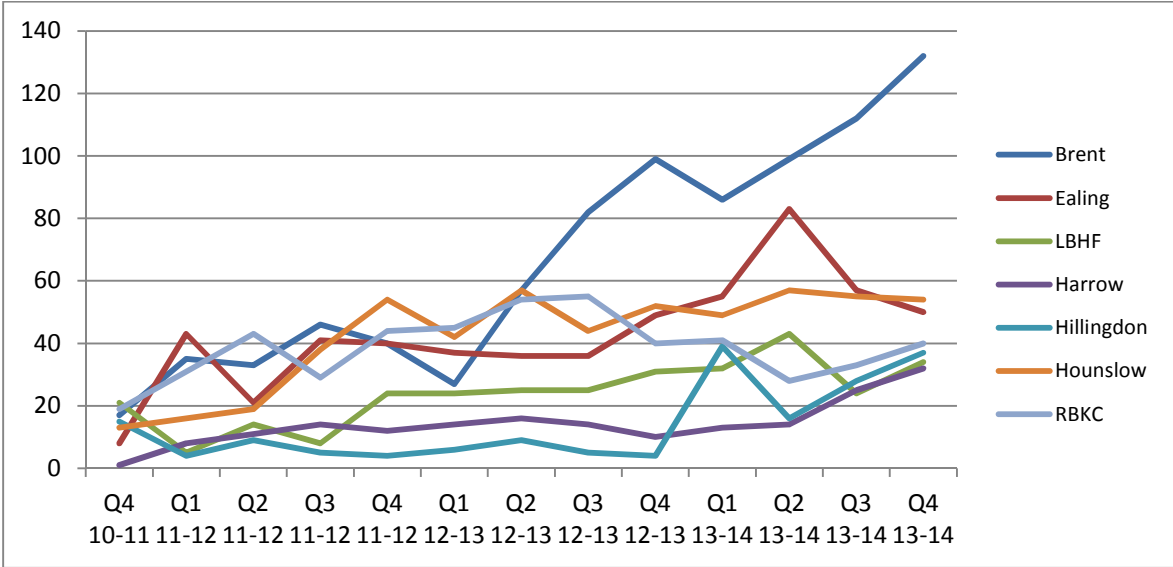
Reason for Homelessness

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



- 4.4 The number of households for whom the Council has accepted a full rehousing duty increased by 40% from 2012/13 to 2013/14, and has increased by 136% since 2010/11. This is largely attributable to a sharp rise in the number of households who became homeless due to the ending of an Assured Shorthold Tenancy (AST) in the private rented sector.
- 4.5 Historically the main reason for homelessness in Brent has been due to family/friends excluding households but since 2012/13 the main reason for homelessness has been the ending of an AST. In 2013/14 51% of households were homeless due to the end of an AST - this is an increase from 2012/13 (47%) and almost double the proportion in 2010/11.
- 4.6 The increase has been particularly high in Brent compared to neighbouring boroughs in West London (see Figure 2). This in part reflects exceptional growth in, and the scale of, the private rented sector in Brent – which now accounts for around one-third of all dwellings. It has also been exacerbated by high levels of benefit dependency and the severe impact of the LHA reforms in the South of the borough.

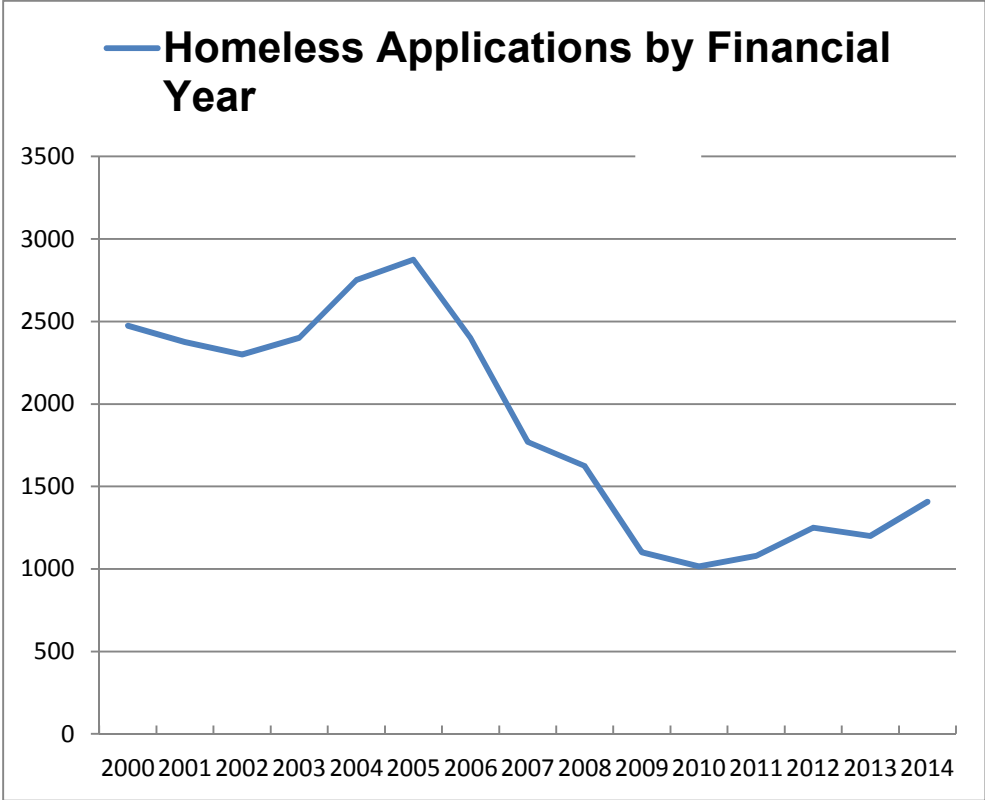
Figure 2 – Number of Accepted Homeless Applications in West London due to End of an Assured Shorthold Tenancy



Homelessness Prevention

- 4.7 The number of homeless applications has varied considerably over the period since 2000 (Figure 3). Homeless applications began to decrease in 2006, when the Council first implemented a homeless prevention strategy, by providing households in housing need with alternative accommodation in the private rented sector. The success of this strategy increased significantly in 2008 with the implementation of the Local Housing Allowance (LHA), as a means of calculating the amount that housing benefit will pay to tenants who rent from private landlords.
- 4.8 However this downward trend in homeless applications was reversed in 2011/12, following the Government’s reforms to LHA that included the introduction of a LHA cap per property size and setting the LHA rate at a lower proportion of the market rent (moving from the 50th to the 30th percentile of the market). With these reforms, renting properties to Housing Benefit recipients was no longer attractive for local landlords.

Figure 3 - Number of Homeless Applications



Changes to the Private Rented Market

- 4.9 The increase in private rented sector evictions and homelessness has been London-wide and has resulted in a ripple effect as inner London authorities procure private sector accommodation in cheaper areas of London, forcing other London authorities to seek alternative accommodation outside of their borough and outside of London.
- 4.10 The LHA caps have also had a significant impact on the Council’s ability to procure properties in the private rented sector both for the prevention of homelessness and the discharge of the homeless duty. The LHA caps make it unaffordable for most 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. Market pressure in the South of the borough means that even if a household is working, there is not a supply of available properties. 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 typically do not tend to rent accommodation to households in receipt of benefits, and efforts to address this with landlords have had limited success to date.
- 4.11 The number of private sector properties procured for homelessness prevention fell from 548 in 2010/11 to 164 in 2012/13. Initiatives to increase

supply last year increased this to 193. However this supply is not enough to meet the demand for affordable accommodation.

- 4.12 Local landlords are setting rents above LHA rates, and Housing Benefit will only make payments up to the LHA rate for a property. The option exists to pay landlords the difference between the LHA rate and the rent expected on the property from the Housing Needs budget, but this would be expensive and unsustainable, and drive up the Housing Needs costs for subsequent years.

The Overall Benefit Cap

- 4.13 The Overall Benefit Cap (OBC) was introduced in August 2013 to the benefit claimed by workless households. The cap limits the total amount of benefit payable to £500 per week for a family and £350 per week for a single person. Brent Council was one of the most affected boroughs in the country, with 1,250 households capped during implementation of the cap rising to 1,340 by the end of 2013/14. 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	467
	Private rented sector	758
	Social landlord	98
	Gypsy and traveller site	11
Overall Benefit Cap total		1340

- 4.14 Working with households who were capped, approximately 950 had the cap removed in 2013/14, predominantly through securing employment and qualifying for the Working Tax Credit (302, 31%). Throughout 2014/15 work will continue with affected households to resolve their situation, focussing on employment, and maximising rehusing options into affordable available accommodation either in the Private Rented Sector, Social Housing, or continued Temporary Accommodation in affordable areas.

Rough Sleepers

- 4.15 In addition to increased statutory acceptances, housing and homelessness pressures generally have increased and this is reflected in significantly increased levels of rough-sleeping in the borough. Initial data indicates a

rise of a third last year following a three or five-fold increase (depending on the methodology used) over the previous four years.

- 4.16 The reasons for this increase in numbers include the impact of the recession and welfare reform and an element of under-reporting before additional resources from April 2012 allowed Brent to improve its ability to identify (and work with) rough sleepers. There is also growing evidence that the numbers of Central and Eastern European rough sleepers in the borough were not accurately recorded before this and that these numbers are growing for Brent above trend in comparison with other London boroughs.
- 4.17 A rough sleeping pathway is being remodelled to minimise the number of people spending a second-night sleeping rough in Brent. This includes the retendering of the rough sleeping service contract and commissioning assessment hostel bed-spaces for rough sleepers.

Homelessness Challenges for 2014/15

- 4.18 The combination of the capping of Local Housing Allowance (LHA) rates, and the implementation of the Overall Benefit Cap (OBC), has led to an increase in homelessness demand and a decrease in the number of affordable properties that are available in the Private Rented Sector (PRS). This has led to a steady increase in the number of households that the Council has accepted a Homeless duty towards, and who are now living in emergency bed and breakfast accommodation.
- 4.19 There are two key areas of focus for 2014/15:

1 Increasing Homelessness Prevention

The main focus of the housing needs team is to prevent homelessness. This is achieved through a variety of initiatives, including family mediation for parental exclusions and the use of the Sanctuary Scheme in cases of domestic violence. Due to the high level of evictions from the Private Rented Sector the Housing Options Team have been making use of the Discretionary Housing Payment (DHP) budget to negotiate with landlords to pay off rent arrears and keep the rent at sustainable Local Housing Allowance rates.

If it is not possible to prevent homelessness by keeping a household in their current accommodation, all households are given advice about securing alternative accommodation for themselves in the private rented sector. The housing needs team provides an incentive package and information pack to assist households to find their own accommodation.

2 Supply of suitable affordable accommodation

The housing needs team also secure accommodation in the private rented sector to offer to homeless households to prevent homelessness before a statutory duty is accepted, or to discharge that duty. In order to meet the

increase in demand it will be necessary to significantly increase the supply of private sector accommodation.

- 4.20 The housing needs team are working on various initiatives to increase supply including a partnership with the Council's ALMO, Brent Housing Partnership to develop a lettings agency in Brent that will help to increase supply.
- 4.21 Due to the over heated market in London, it will not be possible to procure the volume of affordable accommodation in Brent that is required to meet the demand from homeless households both to prevent homelessness and discharge the homeless duty. The housing needs team are therefore actively procuring the most suitable and affordable private rented accommodation available, but this is most likely to be outside of the borough and to a significant extent outside of London.
- 4.22 If a sufficient supply of private sector accommodation is not available to meet demand, the council will not be able to prevent homelessness nor discharge its homelessness duties. This will mean that the statutory duty to provide accommodation will have to be met by providing expensive bed and breakfast and other forms of temporary accommodation that may also be outside of the borough due to the lack of supply of this form of accommodation.
- 4.23 When ending the homelessness duty in the private rented sector the council is subject to the provisions and supplementary guidance of the Homelessness (Suitability of Accommodation) (England) Order 2012. The Order deals with the suitability of the accommodation offered, including the location of the accommodation.
- 4.24 If a household refuses an offer of suitable accommodation in the private rented sector the Council will consider that it has met its duties under homelessness legislation, and if the household are being accommodated in Bed and Breakfast accommodation, they will be given a reasonable period in which to make their own housing arrangements.
- 4.25 Under these circumstances a household may approach the Council for assistance under the Children Act, leading to increased pressure on the Children and Young People Service. In 2013/14, 28% of households who were offered accommodation in the private rented sector to end a homeless duty refused that offer of accommodation.
- 4.26 If the volume of homelessness discharges to the private rented sector increases, there may be an impact on the volume of homeless households who approach the council for assistance under the Children Act.
- 4.27 To help to mitigate this impact, officers from the Housing and Children and Young People services are working closely together to offer an integrated service to the household. In the majority of cases the assessment of need made under the Children Act determines that the only issue facing the

family is housing, and so accommodation in the private rented sector is offered to the family to meet this need.

- 4.28 The associated cost of keeping a household in emergency bed and breakfast accommodation during an assessment under the Children Act is met by housing, as well as the cost of procuring a property in the private rented sector. The Housing Needs team will monitor the levels of refusals of private sector accommodation and the subsequent volume of approaches made under the Children Act. If these levels increase significantly additional assessment resources may be required within the Children and Young People department, with the costs of this being met from the temporary accommodation budget.

5 Temporary Accommodation

- 5.1 At the end of March 2014 there were a total of 3,341 households living in temporary accommodation, (TA) a 3% increase during 2013/14 (95 households).
- 5.2 Temporary accommodation is used by the council to accommodate households who have been accepted under homelessness legislation until either social housing or private sector accommodation can be secured to discharge homelessness duties.
- 5.3 Often the initial form of temporary accommodation that is provided is emergency bed and breakfast accommodation (1st stage TA) where a household will remain while the council assesses their statutory homeless application. If a homelessness duty is accepted the household will be accommodated in temporary accommodation leased through a housing association, or managing agent (2nd stage TA).

Temporary Accommodation out of borough

- 5.4 The LHA reforms have led to increasing difficulty in procuring family sized accommodation within the geographical boundaries of the borough under any of Brent's existing temporary accommodation leasing schemes.
- 5.5 An additional pressure to in-borough accommodation is the end of the current Housing Association Leased Scheme (HALS) contract, due to expire in February 2015. A separate report was presented to Cabinet on 21 July 2014 seeking approval to retender this scheme. HALS accommodation currently provides over 1,800 units of Temporary Accommodation that is predominantly located in Brent. Although this portfolio is diminishing due to owners of leased properties not renewing the leases, this form of Temporary Accommodation provides good quality, well managed accommodation that is less expensive to the council than other forms of Temporary Accommodation.
- 5.6 The Council entered into a new leasing framework with 18 accommodation providers to procure Private Sector Accommodation in cheaper areas of the

country (PSA framework). This has resulted 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 632 in May 2014, (a 426% increase.) This figure is expected to rise further due to the increasing demand pressures and the shortage of affordable supply in the borough.

Temporary Accommodation Challenges for 2014/15

Households in Bed & Breakfast accommodation

- 5.7 The Homelessness (suitability of Accommodation) (England) Order 2003 states that a Bed & Breakfast (B&B) that does not have self-contained bathroom facilities is not suitable accommodation for families with children (or a household with a pregnant woman) unless there is no alternative accommodation available and even then for no more than 6 weeks.
- 5.8 The number of households in B&B accommodation has increased significantly during 2013/14 with an average of 299 households per month living in bed and breakfast accommodation. This increase is due to the rising number of newly accepted homeless households and existing homeless households evicted from leased temporary accommodation, predominantly because the Landlord wants the property back.
- 5.9 The number of families with children in B&B for longer than six weeks is also increasing, and the council is not currently compliant with the aforementioned Homelessness Order.
- 5.10 Homeless prevention efforts, as outlined above, will help stem the flow of households into B&B, but further actions are required to provide alternative accommodation to those households in B&B. Newly accepted households will continue to receive a Private Rented Sector Offer (PRSO) to discharge the housing duty, and the supply of this will be channelled toward this group as a priority. For existing homeless households, options to move on to 2nd stage accommodation will depend on voids created by assisting the longest waiting households into social housing, or utilising the supply of properties from the PSA Framework referred to above.

Households in Temporary Accommodation Affected by the Overall Benefit Cap

- 5.11 There are currently 460 households living in temporary accommodation who are affected by the Overall Benefit Cap making their current accommodation unaffordable. The council is currently using Discretionary Housing Payment (DHP) funds to help meet the shortfall between rents and the capped Housing Benefit receipt. This is not a sustainable position for the households or the Council, with no guarantee that the DHP budget will remain at the current high level in 2015/16 and beyond.

- 5.12 In order to ensure that the position is sustainable from 2015-16 the aim is to reduce the number of capped households in Temporary Accommodation to less than 200 by the end of March 2015. The current total is 460, and with an addition of 20 newly capped households each month, the number of households whose situation needs to be resolved – through employment, by securing housing that is affordable, or by sustainably being able to cover the shortfall is 440.
- 5.13 There were 120 capped households living in TA who started employment in 2013/14 (and so became exempt from the cap). This trend may continue, however the households who manage to secure work to avoid the cap in 2014/15 may diminish, as last year's performance in part reflects the success of those closest to the job market in securing work. Services assisting with employment will continue, and further tailoring of commissioned Job brokerage services is being examined to improve outcomes.. Additional Discretionary Housing Payment funding is being provided to assist households with the transition into work, including childcare payments and to meet travel costs.

Maximising Allocation of Social Housing

- 5.14 The Welfare Reform Mitigation Team is piloting the use of proxy bidding to ensure that households who have been waiting longer than the average waiting time for an allocation of social housing maximise opportunities to secure social housing in Brent. This year, in particular, additional supply of social housing is programmed for delivery by housing associations (Appendix A).
- 5.15 It is too early to predict the outcomes of the Proxy Bidding pilot, but the intention is that these capped households, who have been waiting for a social rented home for an extended period and who have a significant shortfall between their rent and housing benefit under the OBC should be assisted into social homes where possible.
- 5.16 The current Allocation Policy states that the council expects to make an increased proportion of lettings directly, outside the Locata system, particularly where this would support regeneration priorities and best use of the social housing stock and help manage the council's resources.
- 5.17 Consultation has commenced with our Registered Providers, households on the Housing Register and the voluntary sector on changes to the Allocations Scheme that will allow, if required, direct offers to be made to those impacted by the Overall Benefit Cap provided that they have been waiting in Temporary Accommodation for longer than the average waiting time to receive an allocation of social housing for their required bed-size.
- 5.18 There will be other households who are living in temporary accommodation who are affected by the OBC who have not been waiting longer than the average waiting time for an allocation of social housing. If these households do not secure employment and they have no prospect of

securing affordable social housing in Brent, it will be necessary to relocate these households to more affordable suitable temporary accommodation, as it will not be possible to sustain them in their current temporary accommodation using limited DHP funding.

- 5.19 Before a household is relocated to cheaper temporary accommodation outside of the borough a full suitability check, including safeguard checks with Children’s Social Care will be undertaken on each individual case. If a household is identified as having to remain in Brent due to exceptional social care, welfare, medical or other exceptional circumstance, then DHP funds will continue to be used to meet the shortfall in rent while a longer term solution is sought.

Overall reduction to the number of Households in Temporary Accommodation

- 5.20 Analysis of households living in temporary accommodation has shown that a number have been waiting in temporary accommodation for a substantially longer period than the average waiting time for their bedroom requirement and this forms the basis for the Proxy Bidding Pilot above. These households are either bidding sporadically for social housing through the Council’s choice-based letting scheme, Locata, or not bidding at all, with some households choosing to remain in temporary accommodation rather than move into the limited social housing that becomes available in Brent.

Table 6: Number of Households in TA who have waited for a significantly longer period than the average waiting time for their bed size

	Average waiting time For accommodation (years)	Longest waiting time for accommodation (years)	No. of households in TA who have waited for significantly longer period than the average waiting time
1 Bed Need	4	13	39
2 Bed Need	6	13	13
3 Bed Need	11	16	40
4+ Bed Need	13	17	26
Totals	-	-	118

- 5.21 When the proxy bidding pilot for OBC affected households in temporary accommodation has been completed and if the results are positive, the project may be extended to the wider TA population, with these offers of accommodation being enforced should the household refuse to accept a suitable offer.

6 Social Lettings

- 6.1 Demand from households at risk of homelessness, households in temporary accommodation, council tenants seeking a transfer and

applicants on the Housing Register are mapped against expected future trends and supply levels.

- 6.2 The new Allocations Scheme went live on 3 February 2014. In the new Allocation Scheme four bands have been retained, with the Priority Bands A-C reflecting varying levels of housing need, while band D has been re-designated as an 'inactive' band as these households are not eligible to bid for social housing as they have a lower level or no identified housing need. Their inclusion in the register enables households with no priority for housing to access housing options information, and to update their position if circumstances change that may entitle them to a higher banding.
- 6.3 There are currently 4,700 households in the Priority bands A to C, which provides one indicator of unmet need. Including households in band D would give a level of unmet demand for social housing within the Borough of 14,200 households.

Housing Register and Transfers Demand

- 6.4 Of the 4,700 households in 'active' bands on Brent's housing Register, 20% are in Bands A or B and 80% are in Band C. Homeless households in Bands A to C make up 80% of the register. A breakdown of current applications on the lists, by demand group and the number of bedrooms needed is provided in Appendix A.
- 6.5 In 2014/15 there will be a projected 673 lettings into social housing tenancies (Council and housing association) which will meet around 14% of the current total demand from Bands A to C.

2013/14 social lettings

- 6.6 At the beginning of each financial year, Cabinet are asked to approve a set of detailed lettings projections. The table below summarises actual lettings performance for 2013/14 against original projections.

Table 6 – Lettings Variance from Targets – 2013/14

		Targets 2013/14	Actuals 2013/14	% Variance
Target Group	Homeless	299	284	-5
	Register	218	165	-26
	Transfer	153	109	-29
	Total	670	558	-17.2

- 6.7 As the table shows, 17.2% fewer lettings were achieved than had originally been expected. The original forecast of Housing Association units that would be available for letting during 2013/14 was 424, however the actual number of units that were available was 360 (a 15% 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 re-lets of units, due to uncertainty around the impact of Welfare Reform.

- 6.8 Lettings to Brent Housing Partnership units during 2013/14 was 313 against a forecast of 420 (a 25% reduction). This is in line with current trends – there is a decreasing number of re-lets of social housing year on year with more and more uncertainty for tenants (fixed term tenancies and affordable rent), and fewer options to move on outside of social housing.
- 6.9 A detailed breakdown of lettings made in 2013/14, with a breakdown of beds needed and demand groups are provided in Appendix B.

Lettings Projections 2014/15

- 6.10 The majority of the 673 lettings of social housing expected to be made during 2014/15 will become available through re-lets within existing social housing stock, including those arising from the transfer of existing tenants. However the Council expects a total of 180 additional properties to be delivered through the new build programme. This is an increase on recent years because delivery of the GLA's 2011-15 programme is back-loaded. A level of contingency has been assumed to allow for slippage of delivery into 2015/16. Appendix A provides a table of anticipated supply. Table 7 summarises the distribution of these lettings by property size..

Table 7 – Brent and Housing Association – Projected Lettings 2014/15

	Bedsit	1 bed	2 bed	3 bed	4 bed +	Total
Brent	15	102	140	45	11	313
RSL	8	107	145	82	18	360
Total	23	209	285	127	29	673

Priority Groups

- 6.11 The Allocations scheme will continue to give specific priority to certain key groups.
- 6.12 Homeless Households
It is recommended to increase the number of lettings that are targeted for homeless households to 80%. This percentage is higher than in previous years but is equal to the percentage of those on the housing register who are homeless. This target is also necessary to help mitigate the impact of the Overall Benefit Cap on the households currently living in temporary accommodation that is no longer affordable and to reduce the number of households in temporary accommodation generally (Table 8).

Table 8 – Distribution of Lets by Property size to demand groups

	Bedsit	1 bed	2 bed	3 bed	4 bed +	Total
Housing Register	0	167	228	102	23	520

(Homeless)						
Housing Register	19	15	20	9	2	65
Transfers	3	27	37	17	4	87
Total	23	209	285	127	29	673

6.13 It is recommended that Cabinet agree the target proportion of social lettings for 2014-15 for homeless, housing register and transfer applicants

6.14 Regeneration of existing housing sites is still a key area, and as part of the transfer cases, 40 allocations have been set aside to meet the decant needs for South Kilburn in the 2014/15 projections.

Consultation on amendments to the Allocations Scheme

6.15 The new Allocation Scheme was fully implemented on 3 February 2014. The scheme was agreed by the Executive in April 2013 and some amendments were made by the Executive in their meeting in September 2013.

6.16 In order to respond effectively to the current challenges presented by Welfare Reform and other service pressures discussed above it is proposed to make certain revisions to the scheme. The following amendments to the scheme will require 4-6 weeks further consultation, and further detail is available in Appendix D:

- Auto-bidding
- Retaining Band C award by accepted Homeless households accepting a Qualifying Offer
- Ability to make an increased number of Direct Offers
- Bedroom allocation amendments
- Incentivising downsizing moves
- Incentivising and Reward for employment with additional waiting time
- Applying the residency criteria to Homeless cases
- Overcrowding to receive Band C

6.17 . The results of this consultation will be further reported to the Cabinet for decision.

7 Financial Implications

7.1 The total base Temporary Accommodation budget for 2014/15 is £8.9M. This takes into account agreed savings of £1.047m from the 2013/14 budget to reflect the management of cost pressures and service demands.

7.2 Based on current projections and targeted reductions in numbers of households accommodated within Temporary Accommodation, the budget

is expected to underspend its budget target by £300k. However, as outlined earlier in this report, there continue to be significant risks attached to the Council's ability to control demand led pressures relating to this particular service whilst ensuring that statutory duties are met.

- 7.3 It should be noted that this remains an area of potential pressure due to 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 will be closely monitoring the impact of the wider reform agenda on the service's budget so that any variation can be reported as early as possible.

8 Legal Implications

- 8.1 The primary legislation that governs the allocation of new tenancies is set out in Part VI of the Housing Act 1996 ("the 1996 Act"), as amended by the Homelessness Act 2002 "the 2002 Act") and the Localism Act 2011. As enacted, the 1996 Act introduced a single route into council housing, namely the Housing Register, with the intention that the homeless have no greater priority than other applicants for housing. Since the enactment of the 2002 Act, councils are required to adopt an allocations policy which ensures that "reasonable preference" is given to certain categories of applicants (which are set out in section 166A of the 1996 Act as amended by the Localism Act 2011 and includes homeless households and persons living in overcrowded conditions and persons who need to move on medical or welfare grounds), and to allocate strictly in accordance with that policy. An allocation of accommodation under Part VI of the 1996 Act must be made in accordance with the Council's own allocation policy (cf. section 166A (14) of the 1996 Act). Allocation of temporary accommodation pursuant to the Council's homelessness duties under Part VII of the Housing Act 1996 is not governed by Part VI of the 1996 Act.
- 8.2 Brent adopted Locata, a choice-based Allocations Scheme, working in partnership with other local authorities and Housing Associations in the West London Alliance in 2003. Locata applies to all categories of applicant, including those seeking a transfer within Council housing. Although an analysis of demand and lettings is made with reference to (i) homelessness, (ii) Housing Register and (iii) transfer demand; there is no legal difference in the duties owed to people in each of these categories for the provision of accommodation under Part VI of the Housing Act 1996.
- 8.3 The primary legislation governing decisions on homeless applications is Part VII of the Housing Act 1996, which was amended by the Homeless Act 2002. The Council is required to make decisions on homeless applications within the scope of the legislation bearing in mind local demand.
- 8.4 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.

- 8.5 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.
- 8.6 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.
- 8.7 The Homelessness (Suitability of Accommodation) (England) Order 2003 states that a non-self-contained Bed & Breakfast (B&B) is not suitable accommodation for families with children (or a household with a pregnant woman) unless there is no alternative accommodation available and, even then, for no more than six weeks.
- 8.8 The Homelessness (Suitability of Accommodation)(England) Order 2012 sets out what matters are to be taken into account in determining whether accommodation is suitable for a person and also sets out circumstances where accommodation, which is being provided to an applicant for the purpose of a private rented sector offer under section 193(7F) of the 1996 Act, is not to be regarded as suitable

9 Diversity Implications

- 9.1 In summary, there are negative impacts to this proposal, particularly on overcrowded households within the social sector and the Private Rented sector where applicants are predominantly from BAME origins and female headed applications. However, this negative impact is balanced by the positive impact that will be seen on this same protected groups through the increased lettings made to homeless applicants.
- 9.2 The full Equality Assessment is attached at Appendix E. The evidence outlined in the main document gives no reason to suggest that the policy is unlawful or discriminatory.

10 Staffing/Accommodation Implications

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

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ANDY DONALD

Strategic Director of Regeneration and Growth

Appendix A - Current Live Applications

		Number of Bedrooms Required									Sum:	
		0	1	2	3	4	5	6	7	8		9
	ELDERLY SHELTERED		172									172
	HOMELESS APPROVED	53	304	1562	1169	454	163	46	11	3	2	3767
	LEAVING CARE		24	1								25
	MANAGEMENT TRANSFER	5	6	10	11	5	1					38
	MEDICAL	4	48	12	19	5	1					89
	MOVE ON QUOTA	4	50	3	4	2						43
	OVERCROWDING			14	114	65	6	1				200
	PERMANENT DECANTS	1	73	28	12							114
	SOCIAL HARDSHIP	1	1	2	2							6
	STATUTORY DUTY		1									1
	SUCCESSION (UNDEROCCUPATION)	3	15									18
	UNDEROCCUPATION	14	97	20	2							133
	UNSATISFACTORY HOUSING	2	49	12	4	1						68
	Sum:	87	840	1664	1337	532	171	47	11	3	2	4694

Appendix B - Lettings Performance BHP and Housing Association - 2013/14

	Bedroom Size					Grand Total
	1	2	3	4	4+	
HOUSING REGISTER						
CHILDREN LEAVING CARE	34	4	3			41
EMERGING HOUSEHOLDS		8				8
APPROVED HOMELESS	38	117	62	4	8	229
MEDICAL 25 (HOMELESS)	1	2	3	1		7
ADULT SOCIAL CARE	3					3
OVERCROWDING						
CONTRIBUTION TO MOBILITY	22	15	13		1	51
FORMER SERVICE TENANT						0
HOUSING REGISTER (NON APPROVED)	48	16	7			71
MEDICAL 25 (REGISTER)	3	1	2	2		8
PROBATION SERVICE QUOTA	1					1
SOCIAL SERVICES (HOU REG)			1			1
VOLUNTARY ORGANISATION QUOTA	13	3				16
HOUSING REGISTER (OTHER)	5	6	1		1	13
Sub Total	168	172	92	7	10	449
TRANSFERS						
UNDER OCCUPATION	28	2	1		1	32
DECANT	26	5	3	1		35
SUCCESSION (UNDEROCCUPATION)	1					1
MANAGEMENT TRANSFER	4	2	8	2	4	20
TRANSFER LIST (APPROVED)	11	6	1		1	19
MEDICAL A (TRANSFER)		1				1
MEDICAL 25 (TRANSFER)		1				1
Sub Total	70	17	13	3	6	109
Grand Total	238	189	105	10	16	558

Appendix C – Lettings Projections 2014/15

Brent and Registered Provider – Projected Lettings 2014/15

For Brent Council properties, the projection is made based on last year's lets, i.e. Council owned properties that became available to relet.

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

The table below shows the number of new build units that will become available during 2014/15. Based on experience from previous years, we are reasonably confident that properties that are due completion by 31 December will actually become available and there will be a slippage for the rest. Additionally, 40 properties (Vivian Avenue) will be extra care sheltered units and therefore not let through the CBL scheme thus leaving about 180 new units becoming available to let this year.

Site Name	HA	Tenure	Total Units	Comp Due	HC Milestone PC from GLA website
141-153 Harlesden High Street	Origin	AR	13	06-Oct-14	06-Oct-14
Crest Road (Coles Green), Oxgate Lane	PCHA	AR	14	21-Nov-14	21-Jul-14
Brook Avenue TFL	Stadium	AR	30	28-Nov-14	28-Nov-14
First Central, Park Royal	Catalyst	AR	68	05-Dec-14	05-Dec-14
Vivian Avenue, Extra Care (Willow)	Stadium	AR	40	11-Dec-14	11-Dec-14
Electric House, 296 Willesden Lane	Stadium	AR	5	31-Dec-14	31-Dec-14
Capitol Way, Colindale	Stadium	AR	107	24-Feb-15	24-Feb-15
Blarney Stone, Blackbird Hill	Catalyst	AR	36	15-Mar-15	15-Dec-14
3 Burnt Oak Broadway	Catalyst	AR	35	15-Mar-15	15-Dec-14
Barham Park Phase 2c Rent	NHHT	AR	33	16-Mar-15	16-Mar-15
Willows Yard, Rucklidge Avenue	Origin	AR	22	16-Mar-15	16-Mar-15
Stonebridge Site 10, Hillside	Hyde	AR	35	17-Mar-15	17-Mar-15
Stonebridge Site 22/24, Hillside	Hyde	AR	35	20-Mar-15	20-Mar-15
Coles Green Court, Coles Green Road	Stadium	AR	14	23-Mar-15	23-Mar-15
Alpine House	Stadium	AR	22	25-Mar-15	25-Mar-15
B&Q Alperton	Stadium	AR	54	27-Mar-15	27-Mar-15
Park Royal Asra	Asra	AR	60	30-Mar-15	30-Mar-15
Park Royal Asra Care & Support	Asra	AR	39	30-Mar-15	30-Mar-15

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Taking the above into account, the predicted number of lets for 2014/15 financial year is expressed in below table, with the number of new units in brackets:

	Bedsit	1 bed	2 bed	3 bed	4 bed	Total
Brent	15	102	140	45	11	313
RP	8 (0)	107 (43)	145 (87)	82 (43)	18 (4)	360
Total	23	209	285	127	29	673

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Appendix D

Allocation Scheme, Proposed Items for consultation

1. Auto-bidding
2. Retaining Band C award by accepted Homeless households accepting a Qualifying Offer
3. Ability to make an increased number of Direct Offers
4. Bedroom allocation amendments
5. Incentivising downsizing moves
6. Incentivising and Reward for employment with additional waiting time
7. Applying the residency criteria to Homeless cases
8. Overcrowding to receive Band C

1 Auto-bidding

Many households have waited in Temporary Accommodation for a long time, longer than the average time, and many are still not housed. While we understand that the nature of demand on housing means that waiting times will be long, there are many applicants that could be moved out of TA but are taking no action to be rehoused. In the allocation scheme, priority is given to households waiting the longest, if they were bidding, these households would be more likely to receive an offer of housing. Current provision in the allocation scheme for bidding by proxy (6.5.7) is ‘...in certain circumstances..’, but this could be strengthened to allow automatic and electronic placement of bids. The system would be set to automatically bid, at the Council’s discretion, once the household falls into a target group, for example, the top 10% by waiting time per property size.

2 Retaining Band C award by accepted Homeless households who accept a Qualifying Offer

Historically, homeless households who opted to accept a Qualifying Offer (discharge of the homeless duty into the Private Rented Sector prior to the Localism Act) were able to retain their Band C priority and continue to bid on Locata. This has been inadvertently removed from the Allocations Policy, and reinstatement is recommended. The retention of the Band C acts as an incentive to households to accept a Qualifying Offer, and with very small numbers impacted, it is unlikely to be costly in terms of potential supply of housing to other demand groups.

3 Ability to make an increased number of Direct Offers (6.10)

Current wording in section 6.10 creates some confusion, and is more restrictive than required. Because 2014/15 is a year in which the Mayor’s Affordable Housing Development Programme will deliver approximately 180 additional homes to Brent and the Council needs to take best advantage of the additional lets, it is proposed that the Scheme be worded to allow ‘discretion’ rather than ‘exceptional circumstances’, in order to address the Councils objectives more directly.

The list of applicants who may qualify for a Direct Offer is still appropriate, but needs to include households previously addressed within a Quota and

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households where there is a financial risk to the Council in the future (this relates to those impacted by the Overall Benefit Cap currently, but future changes to the welfare system could mean different target groups in the future).

4 Bedroom allocation amendments (3.4)

For homeless households where adult children (over 21) remain in the household, they will be expected to share a bedroom with a same sex sibling of any age.

Couples and Lone parents with one child under 2 will be offered 1-bed properties. Two-bed need is the greatest demand group on the waiting list, and using some of the one-bed supply will help meet this demand.

5 Increasing downsizing moves.

Currently, adult children over the age of 21 aren't considered part of a household for a transfer/downsizing move. However, under-occupiers are refusing to be rehoused without their adult children. Adult children could be included on the transfer request as part of the incentive package

6 Incentive and Reward for employment (12.9, 12.10) - Additional waiting time for households in employment for 9months out of the last 12 months.

The current wording for the scheme states that the additional waiting time of 5 years will be granted for those working at the time of application, but this excludes households who start and sustain employment after they first approach and are accepted on the register – particularly homeless households in TA. It is recommended that the wording is amended to provide for the additional ability to apply for the extra waiting time for this via a change of circumstances. For example, a household that was not working when accepted as homeless who has now started and sustained work for the required amount of time, can then submit a change of circumstance request to apply for the additional waiting time. Verification of employment will occur at the time of applying and at the point of offering a tenancy.

7 Applying the Residency criteria to Homeless acceptance cases

In section 3.5.3 in the Allocation Policy it states that 'applicants must currently be living in the London Borough of Brent and have continuously lived here for the period of 5 years or more prior to joining the housing register. Households in TA have been exempt from applying the residency criteria, but we recommend removing the exemption. This would dis-incentivise homeless approaches. Households would receive their acceptance date as normal, but the ability to bid would only start after 5 years residency applies, counting residency years prior to the Acceptance date, and since acceptance. (Additional waiting time for households who are working would only apply 5 years after the acceptance date.)

8 Overcrowding to receive Band C

While overcrowding continues to be recognised as an issue in Brent, the proposal is that Overcrowding receives equal priority as Homeless cases (Band C). Overcrowded applicants should also receive support and services to assist

them with moving to more suitable accommodation, possibly in the Private Rented Sector, as an alternative to waiting for social accommodation.

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