

Overview and Scrutiny Committee

15 September 2015



Title	Housing Issues		
Purpose of the report	To note		
Report Author	Deborah Ashman/ Karen Sinclair		
Cabinet Member	Councillor Mrs Jean Pinkerton OBE	Confidential	No
Corporate Priority	Delivering quality of life services		
Cabinet Values	Community and Accountability		

1. Key issues

1.1 The Joint Heads of Housing and Independent Living have been asked to present a report on how the Council is dealing with:

- a) Homelessness
- b) Affordable Housing
- c) The Winter Shelter Duty
- d) Registered Social Landlords

2. Background

2.1 Local Housing Authorities continue to face a series of challenges in responding to housing demand and preventing homelessness, particularly in high value areas like Surrey. Spelthorne has the added dimension of being surrounded by 3 London Boroughs all who have extensive housing need and problems with homelessness.

2.2 As homelessness remains one of the most important issues facing strategic housing authorities and given the impact that housing has on all aspects of people's lives it is essential to address.

2.3 Accessing the housing market in Surrey is challenging for people on average and above-average incomes. Affordability ratios in the County are up to 14 times an average income. Across Surrey average residence-based incomes greatly exceed work-based incomes, as those in lower paid employment find it difficult to afford a place to live close to where they work. The issues are as follows:

- a) Access to available mortgage finance is more difficult and buyers are expected to provide larger initial deposits.
- b) Although there has been growth in the private rented sector, rents are high due to restricted supply and high property prices and there

is limited availability of private rented properties within the Local Housing Allowance (LHA) rates – the recent July Budget has confirmed that these will now be fixed for four years.

- c) Average incomes among new social rented tenants is £15,000 according to the housing association Continuous Recording statistics.
- d) The majority of social housing tenants are receiving Housing Benefit (HB) to help with their rent, but most of those of working age are in low paid employment.
- e) Increase in housing association rents following the introduction of affordable rents for new homes delivered with Homes and Communities Agency funding since 2011, and conversions to affordable rents within their existing stock to increase financial capacity for new house building.
- f) Housing Association rents will be impacted by the proposed 1% year on year reduction as set out in the July Budget.
- g) The introduction of Universal Credit is being rolled out across Surrey at a slower pace than expected, making it difficult to estimate the longer term impact.
- h) The benefit cap for families in Surrey has been confirmed at £20,000 p.a. This is expected to have a particular impact on larger families who will only be able to afford to live in certain areas. Residents in our neighbouring London Boroughs will have a higher cap of £23,000.
- i) The under-occupation charge continues to have an impact on working age households and many have joined Housing Registers to enable them to move to a smaller home. Discretionary Housing Payments have provided short-term help, but are not available as a long-term solution.
- j) No housing benefit will be payable for the majority of 18-25 year-olds and this is expected to lead to an increase in the number of young people becoming homeless.
- k) Generally in the last decade or so governments have reduced the direct funding of new social house building.
- l) Spelthorne Council transferred its housing stock in 1997 which restricts the Council from having the control or influence on any social housing stock that other Councils who are stock holders have.

3. The Housing Register

- 3.1 Spelthorne currently has 1394 households on the Housing Register. All households are given a banding and priority date as prioritised by the council's allocation policy. Long term social housing units are allocated via our Choice Based Letting Scheme called SEARCH Moves.
- 3.2 The SEARCH Moves scheme is operated as a partnership that covers the boroughs of Spelthorne & Elmbridge and includes A2 Dominion Housing

Group and Paragon Community Housing Group. Cross boundary bidding is available for 30% of the available social housing properties which ensures effective use of all the vacancies across both areas. To reflect the new Welfare Reform changes, as introduced by central government in 2014 and to address the increase in housing need, the partnership agreed a new common housing allocation policy. This instigated a review of all households on the housing list and it reduced the list by approximately 40%. However the changes as instigated by government in reference to under occupation have meant that demand for 2 bedroomed properties has increased.

4. Homelessness

- 4.1 In 2014/15 more than 1300 households approached Spelthorne's Housing Options Team for advice on homelessness and prevention. Prevention is essential to reducing the statutory responsibility of assisting priority households with accommodation. The resources available to the Housing Options Team in Spelthorne, as in other Surrey Authorities, are limited.
- 4.2 In 2014/15 there was an increase in homelessness applications. Bed and Breakfast figures increased dramatically from 45 households at 31 March 2014 to 74 at 31 March 2015 families. (At 31 August 2015 there were 104 households in bed and breakfast.) It is acknowledged that bed and breakfast is not a long term acceptable alternative to a stable home. Currently Spelthorne is using bed and breakfast accommodation in Spelthorne, Wembley, Windsor, Slough, Southall, Hounslow, Hayes and Greenford. As the majority of households are placed out of borough and not in Surrey it adds further complications as child protection, mental health support and vulnerable adults are all put at risk by moving out of the Surrey area.
- 4.3 The financial impact on the Council with the increase in bed and breakfast is concerning. In 2014/15 the bed and breakfast net budget of £171,000 was overspent by £146,000, totalling £317,000. In 2015/16 the budget was increased by £94,000 totalling £265,000 net. However due to the dramatic increase in bed and breakfast figures the forecast spend is £567,000 which is an overspend of £302,000. (Based on a figure of 108 households in bed and breakfast).
- 4.4 It should be noted that invoices totalling approximately £1.8 million are expected to be paid this year, but with housing benefit payments and applicants contributions a receipt of approximately £1.2 million should be received.
- 4.5 In addition the Council also has 54 longer term temporary units occupied by accepted homeless households. The temporary units consist of 50 A2D dwellings where at the time of transfer the Council ensured that nomination rights for use of the properties for temporary accommodation were put in the contract of transfer. There are also 2 properties which Spelthorne Council owns which were previously used for park keeper's accommodation which have been adapted to use for temporary accommodation and 2 private sector properties.
- 4.6 Other forms of temporary accommodation have been investigated including Private Sector Leasing, a scheme which Spelthorne had run about 7 years ago but due to the decrease in homelessness approaches at that time the Council decided to stop the scheme. Discussions with A2D and other private sector providers have taken place to investigate other options available.

4.7 In 2014/15 Spelthorne prevented 202 households from homelessness. The number of homelessness acceptances (i.e. number of households where a full rehousing duty has been accepted by the Council) totalled 130, a significant increase from the from 2013/14 total of 89.

Fig.1 Reasons for homelessness

The main causes of homelessness locally and nationally are eviction from family or friends' accommodation and the ending of private sector (shorthold) tenancies.

Reasons for homelessness duty acceptance (national figures)				
	Parental eviction	Other friend/ relatives eviction	End of shorthold tenancy	Other reasons for homelessness (includes relationship breakdown, violence, harassment, end of social housing tenancies, leaving prison or hospital)
2011	20%	14%	15%	51%
2012	19%	14%	19%	48%
2013	17%	14%	24%	45%
2014	16%	12%	27%	45%
2015	15%	12%	29%	44%
Reasons for homelessness duty acceptance (Spelthorne year until 21 March 2015)				
2015	23%	12%	35%	30%

Data extracted from CLG live data tables- national data relates the quarter ending 31 March in each year.

Analysis:

- 6.1 Over the last 4 years there has been a marked national increase in the end of private tenancies as a reason for homelessness (up from 15% in 2011 to 29% in 2015).
- 6.2 Spelthorne has experienced more tenancies ending in 2015 than the national trend.
- 6.3 Over the last 4 years parental/ relative evictions have broadly decreased (from 34% combined in 2011 to 27% combined in 2015) nationally however Spelthorne cases remain high at 35% in 2015.

5. Prevention initiatives

- 5.1 The Housing Options Team use various means to try and prevent homelessness:

- 5.2 The Sanctuary Scheme which provides and installs security measures such as locks, fire proof letter boxes, a safe room etc. This enables a victim or potential victim of domestic violence to stay in their property.
- 5.3 Appropriate referrals and sign posting to agencies such as Citizen Advice Bureau, RentStart, and Surrey Credit Union. All these agencies are given funding by Spelthorne Council to undertake their roles which include assisting with money advice, illegal evictions, and maximisation of benefits, child custody and other general advice.
- 5.4 The Court Desk which is based at Staines Court is jointly funded by Spelthorne, Hounslow and Runnymede Councils from their respective Homelessness Initiatives budget. This service is a reactive measure to assist tenants or homeowners who are about to be evicted or repossessed to provide advice and come to some arrangement with the court to try to prevent an immediate possession order being granted.
- 5.5 Protocols have been implemented with A2Dominion to ensure that extensive preventative work is undertaken by the social landlord with the Housing Options Team before a notice seeking possession is obtained for the property.
- 5.6 Extensive communication and sharing of information with A2Dominion takes place when there are welfare benefit changes which could lead to rent arrears and ultimate eviction. Substantial work was undertaken when the Benefit cap was introduced which has created good communication channels between Housing Benefit, Housing Options and the Management Team at A2D.
- 5.7 The Housing Options Team are trying to establish protocols with various Social Care services based in Surrey County Council so that joint preventative work can be undertaken before clients reach a critical crisis point which causes them to lose their property. Unfortunately this initiative proves to be quite difficult due to the constant changes of staffing within Surrey. However the Team now has a good working relationship with the Spelthorne Locality Team assisted by the fact the team are located in Knowle Green. Unfortunately the Children and Families Team are based in Leatherhead.
- 5.8 Hospital discharges continue to be a problem from the Abraham Cowley Unit at St Peter's hospital. Often patients who are homeless are sent directly to the Council Offices with an expectation of assistance. Work has begun to try and introduce effective protocols to deal with this issue.
- 5.9 Spelthorne Housing Options Team has jointly accessed national funding with other Surrey Authorities for additional support services to help prevent homelessness for single people. SHAWS (Single Homeless Support Service) has just started and works within the Family Support Programme. Its aim is to work alongside single people to move them from rough sleeping to stable and contributing lives within their communities.
- 5.10 Close liaison with the Family Support Team who support vulnerable families is recognised by the Housing Options Team as essential and a good working relationship is in place.
- 5.11 Discretionary Housing Payments (DHP) is an allowance given by Central Government to Local Authorities to assist in the shortfall of any housing benefit rent payments especially for those who are vulnerable to eviction or those affected by the under occupation welfare changes that need to stay in a

larger property due to disability etc. The government has significantly reduced (40%) Spelthorne's allocation of DHP this year.

Fig. 2

2015/ 16	£120,689
2014/ 15	£202,187
2013/ 14	£202,036
2012/ 13	£362,767
2011/ 12	£25,811

5.12 Due to the reduction in allocation of DHP Corporate Management Team and the Cabinet agreed to make up the shortfall as a revenue growth item as it was recognised that the budget is necessary to prevent homelessness in the social and private sectors and that it would be more cost effective to maintain this level of provision.

5.13 Housing Benefit payments in the private sector is calculated against the Local Housing Allowances Rates as defined by Central Government. For the next 4 years they will remain the same.

Fig. 3

	Local Housing Allowance per week	Local Housing Allowance per month	Approximate market rate expected from landlords.
One bed rate	£173.41	£751.44	£950.00
Two bed rate	£221.72	£960.79	£1,200
Three bed rate	£276.67	£1198.90	£1,400
Four bed rate	£382.64	£1658.11	£1,700

5.14 The figures of rent expected from landlords demonstrate the demand in the area for private rented properties. The fact that LHA is much lower than required and will remain the same for the next four years highlight how difficult it is for families on low income to move to private rented accommodation . There is also a perception that all households referred by the Council are difficult which is not the case.

6. The Private Rented Sector

6.1 Homelessness legislation allows Councils to discharge their housing duty by placing households into suitable accommodation in the private sector as well as social housing. Due to the lack of social housing available access to the private rented sector is essential.

6.2 Due to the very limited affordable housing in London , London Boroughs have been using incentives (up to £5,000 as a one off payment) to persuade landlords in Spelthorne and other areas to take their tenants. We are currently aware that Ealing, Brent, Westminster, Hounslow and Harrow have placed families in Spelthorne.

6.3 To encourage landlords to use referrals from Spelthorne a Rent Bond Scheme is in operation. Financial help to households is offered which ensures the first month's rent is paid in advance and the Council guarantees a month's deposit for a 12 month period. Management support to the landlord is offered and landlords are reassured that their tenants' housing benefit applications will be managed and treated as a priority. The Housing Options Team have a good relationship with a number of landlords but due to other Councils offering large financial incentives the current scheme is being reviewed.

Fig. 4 - Family household placements via the Rent Bond Scheme

2011/12	33
2012/13	45
2013/14	42
2014/15	38

6.4 Households placed via this scheme may be placed:

- a) As a homeless prevention measure, i.e. before they have been provided with direct accommodation via Spelthorne Council.
- b) As a duty discharge case i.e. as a way of rehousing households where Spelthorne Council is already accommodating the family due to homelessness

Fig. 5

Homeless prevention placements 2014/15	18
Duty Discharge placements 2014/15	20
Total Placements 2014/15	38

7. Fraud

7.1 Spelthorne Council led on an initiative to obtain funding jointly with other Surrey Authorities from the Department for Communities and Local Government (DCLG) to undertake fraud prevention work focussing on all aspects of housing including applications, verification and granting of tenancies. The substantial knowledge held by the Housing Benefit fraud team, whose previous responsibilities have now been transferred to the DWP, is being used as the officers have been redeployed to undertake this new role.

8. Access into Social Housing

8.1 Long term social housing units are mainly allocated via the Choice Based Lettings Scheme according to the Council's allocation policy. Homeless households have a high priority on the housing register but they are only one priority group amongst others needing housing. It should be noted that allocations to new build properties have to comply with an agreed lettings plan to ensure a sustainable community is created. New build properties on the Crooked Billet and London Irish sites will therefore be directly let.

Fig. 6 - Allocations per year (social housing properties allocated by the council)

2012/2013	207
2013/2014	250
2014/2015	222

Analysis:

8.2 Approximately 50% of allocations per year are for family sized properties however there are three times as many families in urgent need on the housing register compared to properties available.

9. Affordable Housing

9.1 An important part of the capability to meet housing needs is through re-letting units that become available from the existing stock of social housing. The total social housing stock in Spelthorne is some 5,500 units which are held by 12 'Registered Providers (formerly referred to as Housing Associations). The number of re-lets each year varies but over the past 10 years this has been around 180 and 230 per annum. Inevitably there is not always a perfect match between availability and unit sizes required.

9.2 The number of re-lets however does not match total demand. Whilst increasing efforts are made to secure private rented accommodation for people, the provision of new social provision is a crucial element in 'bridging' the demand gap. Under their planning powers (Section 106 agreements) Councils can require private developers of larger sites (15+ dwellings) to provide a proportion of social housing.

9.3 Overall Spelthorne has, in comparison to most Surrey Districts, been relatively successful in securing accommodation this way. In the last 8 years the average net addition via new build social units has been some 48. However the increasing affordability gap between property prices and average incomes is placing increasing pressure on social provision and the new build levels of social housing that are secured are not keeping pace with need. It is therefore increasingly important to secure the maximum number of affordable units that are feasible from schemes within the terms of planning policy.

9.4 One of the features of new build provision is the inevitability that the rate of new supply is not even. This is because we have no control on when particular schemes come forward and, once they have planning permission, when they start and are completed. The demolition of affordable units prior to new build can even lead to a net loss of units in a single year as in 2014/15. Figure 7 below nevertheless shows a degree of consistency overall in net annual completions from 2006/7 to 2013/14. The net loss of 27 units in 2014/15 goes some way to explain the particular rise in the numbers in temporary accommodation at the present time. The projected completion of social units in 2015/16 is projected to be some 130 units. All these units are under construction with the 29 units at Crooked Billet site coming forward for occupation in September and 40 units at the London Irish site from October.

In addition to the 130 there are another 11 units under construction due for completion in 2016/17.

Fig. 7 Affordable Housing Completions 2006/7 – 2015/16

Year	Number of individual affordable units completed in year	
	Gross	Net
2006-07	81	68
2007-08	22	22
2008-09	57	57
2009-10	99	45
2010-11	96	52
2011-12	144	85
2012-13	63	43
2013-14	44	44
2014-15	16	-27
<i>2015-16 projected</i>	<i>130</i>	<i>130</i>
Total Comps 2006/7 – 2014/15	622	389

Table Note – net figures account for the loss of affordable units in any year due to demolitions prior to construction. In 2014/15 43 units were demolished at Sunna Lodge, Sunbury (accounting for the minus 27 figure above) and the new scheme of 49 units is now under construction.

- 9.5 In terms of future provision of social units we are needing to take into consideration the changing profile of need resulting from demographics, household composition and welfare reform (e.g. impact of under-occupation charge on the housing needs of working households). This includes providing the right size housing across all tenures to encourage downsizing within the existing stock - particularly by older people to free up family sized homes.
- 9.6 Members may wish to note that in limited cases for new housing development a commuted sum in lieu of on-site affordable housing provision has been accepted. The Crooked Billet site is an example of where such monies have been used with other funds from the Council's £2m Capital Programme to part finance an RSL to buy an entire site from a private house builder. However, suitable sites are likely to be limited and therefore agreement to commuted sums in favour of on-site provision must always be regarded as exceptions to policy.
- 9.7 Some authorities have explored the setting up of their own housing companies. Spelthorne has given this some initial consideration. For many authorities this is primarily a means of establishing an alternative investment 'vehicle' to boost future income rather than being primarily a means of

boosting social housing supply. The Council will need to come to a view in due course as to what its objectives should be in this respect.

- 9.8 As a final point under this section Members will note the recent government announcement to extend the “Right To Buy” to housing associations. This could have a serious impact in the longer term on the number of re-lets coming forward from the existing social stock and further challenge the Council’s ability to meet needs - unless receipts from sales are sufficient to fully fund a replacement unit.

10. Opportunities for Partnership Working

- 10.1 To tackle the housing issues strategically there is an increasing need to work with our partners in both the voluntary and public sector to find solutions and deliver positive outcomes for local people. The Joint Heads of Housing are heavily involved in:
- a) Gathering county-wide housing information to inform the next Joint Strategic Needs Assessment (JSNA)
 - b) Working with health and social care providers to make best use of the Better Care Fund to fund statutory services, responsive evidence-based service delivery and innovative projects, including Housing Related Support funding
 - c) Progressing the Equipment, Aids and Adaptations Review
 - d) Involvement in Health and Wellbeing Boards
 - e) Jointly leading with Surrey Colleagues to procure B&B suppliers to improve quality and deliver better value for money

11. Winter Shelter Provision

- 11.1 The Winter Shelter provision is a response to central government’s good practice guide for local authorities and the voluntary sector. The “Severe weather emergency protocol and extended cold weather provision” (SWEP) was introduced with the aim of ensuring local areas should have adequate provision to prevent rough sleeping during the winter period as this time often presents the greatest risk to health. It also provides increased opportunities to engage with entrenched rough sleepers and other hard to reach groups as they may be more likely to accept support at this time of year.
- 11.2 Between 2011-2014 bed and breakfast was used when the severe emergency provision was triggered (when the night time temperature was forecast to be zero degrees or below for three consecutive nights). However in 2014 in partnership with Elmbridge, Runnymede and Transform Housing and Support a more suitable winter shelter was created at Whiteley Village in Hersham in a building that was about to be renovated.
- 11.3 The Hostel was a success and fully utilised by rough sleepers from all three boroughs.
- 11.4 Unfortunately Whiteley Village is not available this year and other buildings are being investigated as to the suitability. Recommendations as to the type of dwellings that can be used state that agencies should make the most of existing resources e.g. day centres and communal rooms in hostels. It is acknowledged that the use of bed and breakfast will be expensive.

11.5 Long term plans should ensure that there is a provision of a winter shelter from 2016. A2D and Transform Housing have submitted proposals for extending and enhancing the facilities at 35 Hersham Rd which will include an increase in hostel bedrooms and an extension and refurbishment of the ground floor to operate as a single homeless hub and winter shelter. This property is hostel for the single homeless in Elmbridge, Runnymede and Spelthorne. Spelthorne has participated in a partnership bid to the HCA Homelessness Change Funding Programme to assist with the financing of the proposal (we still await the result). A2D has also provisionally agreed to bid for capital funding under this programme if the bid is successful.

12. Registered Social Landlords

12.1 Operationally Spelthorne has a good relationship with its RSL partners especially A2D and Paragon Housing Association who are already Spelthorne's Choice Based lettings partners.

12.2 Regular meetings are held and protocols are in place with A2D and Paragon to ensure homelessness, housing allocations and housing benefit are effectively dealt with for the benefit of all the tenants.

12.3 The majority of the social housing in the borough is owned and managed by A2D. Officers with Cabinet are exploring the potential to set up a Housing Company to both increase supply of affordable housing and provide a future rental income stream to the Council outside the statutory constraints of the Housing Revenue Account. However it has to be accepted that the RSLs will remain the main provider of affordable housing in the borough (it would cost tens of millions of pounds to purchase back stock from A2D.)

12.4 In reference to maintenance matters or general complaints, tenants of A2D are expected to approach the organisation directly. The Joint Heads of Housing and Independent Living will get involved if necessary and have good communication channels within A2D, however they have limited influence as A2D is now a commercial entity covering over 22 boroughs.

12.5 Regular operational meetings with Thames Valley Housing are now taking place as they are Spelthorne's partners in the Crooked Billet site as well as other existing sites.

12.6 Spelthorne has worked in partnership with A2D on Stanwell New Start and facilitated the provision of 350 new homes in the area, including over 100 affordable homes and 44 Extra Care Units (supported homes for the elderly). The scheme is coming into its fourth and final stage, planning has been approved and works should commence over the next few months. On completion of the scheme the Council will be handed several pieces of usable open space where leisure facilities have been developed.

13. New Developments

13.1 The Councils RSL Preferred Partners are:

- Thames Valley HA
- A2 Dominion Housing Group
- Notting Hill
- Catalyst HG
- Paragon Community Housing Group

- 13.2 When a new build housing development comes into the Planning Department that will meet the criteria for providing affordable housing on site, developers are encouraged to approach these 5 organisations to partner with in bringing the affordable housing on site forward. This works well as all the relevant RSL's have existing housing stock in the borough and established housing management staff with responsibility for housing stock in Spelthorne.
- 13.3 The Housing Strategy Officer based in the Planning department liaises regularly with all the development staff of all the preferred partners. Information is given to them of schemes coming forward that will be required to provide affordable housing and any development opportunities that might be forthcoming. It was through these discussions that the opportunity to partner on the Crooked Billet scheme was realised.

14. The Future

- 14.1 Officers continue to review and assess options to further contain the level of temporary accommodation needed. Good Practice is identified from across the country and are investigated, the business case look at evaluated and if suitable, introduced. This is something we are currently doing whilst reviewing the Rent Guarantee Scheme.
- 14.2 It is interesting to note that upon investigation it is clear that many councils deploy greater staff resources on initiatives than Spelthorne and a careful balance/judgment is required around the resource costs and scope to achieve greater savings on what is currently a rapidly increasing cost area. The Corporate Management Team and Cabinet have been very supportive in this matter and the review of resources is ongoing.
- 14.3 The need for further affordable housing is critical. The statutory responsibility under the Housing Act 1985 to assist households who are in priority need, homeless and not intentionally homeless with suitable affordable accommodation is clear. Without further resources the temporary accommodation budget will increase and families will be placed in unsuitable bed and breakfast accommodation that is proven to have an adverse effect on child protection, mental health issues as well as not being financially viable.
- 14.4 In January 2015 Cabinet agreed to the partial sale of the Knowle Green site for affordable housing. This would effectively mean 40% of the dwellings built would be affordable and would be used to help address the need for accommodation for households in need.
- 14.5 Cabinet have also agreed to a corporate focus on using its assets to increase housing supply, and a budget of £2,000,000 was identified from the capital programme to use for affordable housing. It was with part funding from this budget that the Crooked Billet scheme was financed.

Background papers: None

Appendices: None