

REPORT TO COMMUNITIES P.D.G.

REPORT OF: Head of Housing and Neighbourhoods

REPORT NO: H&N 002

DATE: 13 December 2012

TITLE:	Housing Programme Consultation	
KEY DECISION OR POLICY FRAMEWORK PROPOSAL:	n/a	
PORTFOLIO HOLDER: NAME AND DESIGNATION:	Councillor Teri Bryant (Portfolio: Good Housing)	
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INITIAL IMPACT ANALYSIS: Equality and Diversity	See paragraph (7) below	Full impact assessment Required:
FREEDOM OF INFORMATION ACT:	This report is publicly available via the Your Council and Democracy link on the Council's website: www.southkesteven.gov.uk	
BACKGROUND PAPERS	<i>Localism Act 2011</i> http://www.legislation.gov.uk/ukpga/2011/20/contents/enacted <i>SKDC Housing Strategy 2010-2013</i> http://www.southkesteven.gov.uk/index.aspx?articleid=1621 <i>SKDC Allocations Policy</i> http://www.southkesteven.gov.uk/index.aspx?articleid=1599	

RECOMMENDATIONS

It is recommended that Communities PDG receives the report and discusses each component part of the review programme in turn. The PDG should note from the timeline, the broader review arrangements and the extent to which further consideration by the PDG will be possible.

The PDG is invited to comment on the outline strategies and policies and to note the route to agreement.

1. PURPOSE OF THE REPORT

To inform Communities PDG and to enable discussion and promote consultation on the review of the Housing Strategy, Tenancy Strategy, Tenancy Policy and Allocations Policy as part of a broader consultation exercise leading to decisions consistent with the timeline described in the schedule to the report.

3. DETAILS OF REPORT

This report arises from both the need to conduct a periodic review of housing strategy for the district and the need to respond to the Localism Act 2011. Consultation with key stakeholders is an important part of the review process.

The report contains information in relation to the Housing Strategy, Tenancy Strategy and Allocations Policy and the related timeline.

The effectiveness of housing strategies and related policies will be crucial in meeting the corporate priority of supporting good housing for all.

4. OTHER OPTIONS CONSIDERED

None

5. RESOURCE IMPLICATIONS

There is no financial impact arising directly from this report. Any actions arising from the agreement of strategies and policies may have resource implications for SKDC which will need to be addressed as part of the budget review process. Delivery of the strategic objectives will, to an extent, depend upon the actions of partner agencies and the commitment of their resources; for example the procurement of new affordable housing by housing associations.

6. RISK AND MITIGATION

Risk has been considered as part of this report and any specific high risks are included in the table below:

Category Risk	Action / Controls
Failure to effectively respond to the need for affordable housing in the District.	The development of strategies, policies and related action plans, consistent with the aims of the housing programme.

Effective arrangements for the development, delivery and maintenance of housing and related services are crucial in mitigating the risks associated with poor housing conditions and in carrying out the Council's statutory obligations.

7. ISSUES ARISING FROM IMPACT ANALYSIS

A stage 1 equality analysis for each of the policy and strategy documents will be completed during the drafting of the individual documents. Further work on equality analysis will be carried out at the relevant times during the production of the new/revised policies and strategies.

8. CRIME AND DISORDER IMPLICATIONS

There are no crime and disorder implications arising from this report.

9. COMMENTS OF FINANCIAL SERVICES

There are no direct financial implications associated with this report, however any actions arising from the strategy may require resources to implement and deliver. These will then need to be considered as part of the budget framework.

10. COMMENTS OF LEGAL AND DEMOCRATIC SERVICES

This report gives a time line for consideration of various housing and tenancy related policies which must be considered and approved as detailed.

The Localism Act 2011 determines those matters which must be considered in its tenancy strategy including the type of tenancies offered, the length of term of tenancies, the circumstances under which tenancies will be granted and what will happen at the end of a tenancy. There is also a requirement that the Authority must publish its tenancy strategy before the end of a period of 12 months beginning on the day on which those provisions of the Localism Act came into force. This provision came into force on the 15th January 2012.

11. COMMENTS OF OTHER RELEVANT SERVICES

None.

12. APPENDICES:

- Appendix 1 Housing Programme PDG briefing
- Appendix 2 Time line for Housing Programme

Appendix 1

Housing Programme PDG Briefing

- Part A - Housing Strategy
- Part B - Tenancy Strategy
- Part C - Tenancy Policy
- Part D- Allocations Policy

Part A

Housing Strategy 2013- 18

Work has commenced on our new housing strategy, scheduled for final approval by Cabinet in March 2013. The strategy will set out our vision for housing services over the next five years and will be supported by an action plan.

Discussion of the strategic priorities with Communities PDG at this stage represents the beginning of a wider consultation process with stakeholders.

Initial discussion with Cabinet and officers has defined the overall priorities as follows:

Priority 1- High quality new affordable homes available to buy or rent

Priority 2- Improved housing standards across all neighbourhoods

Priority 3: Access to housing and well being services

This paper briefly introduces why these areas are defined as priorities and the outcomes we hope to achieve. It also introduces for discussion potential solutions. Potential solutions, to the extent they require investment, will be evaluated in terms of return on investment and against other options and corporate priorities.

Priority 1- High quality new affordable homes available to buy or rent

This is a priority because:

- The rate of all housing development has slowed over the last five years; the total number of new housing completions fell by 44% between 2007/8 and 2011/12
- There is no planned government funding to support the delivery of new affordable housing beyond 2015
- There is an assessed affordable housing requirement of 667 new homes per year: the annualised housing requirement in the current housing strategy was assessed at 680 per annum for all tenures, indicating the slowdown that has occurred in house building in the district.
- The percentage of the population over 65 years of age is set to increase from 19.22% to 28% by 2020, together with associated health and mobility problems
- 3.9% of the working age population are registered disabled

Outcomes to aim for:

- More social housing available to rent (SKDC and Registered Providers)
- More affordable housing to buy
- Additional homes to meet needs of clients with particular needs

Potential solutions:

- Invest in the delivery of new affordable housing
- Lead on collaborative projects to develop housing through use of partner assets and new funding sources
- Promote the development and management of adaptable homes to meet the needs of particular client groups
- Promote high standards of design and build across all developments
- Secure contributions from partners to enable new housing and services for specific needs groups

Priority 2- Improved housing standards across all neighbourhoods

This is a priority because:

- It is estimated, based on a sample survey, that 34% of private rented homes are 'non decent', as a result of damp, cold or risk of falls for the household (category 1 hazards)
- SKDC has a duty to take appropriate enforcement action in case of category 1 hazards
- Households on low incomes and living in private rented accommodation are most likely to be living in fuel poverty (36% of renters are in fuel poverty)
- 37% of private rented homes have a poor SAP rating which may exclude them from being re-let after new regulations commence in 2018
- 576 properties (excluding Council) have been empty for 6 months or more, 28% of which are in Grantham (NG31 post code)
- Government funding to improve the decency of private sector homes is not likely to be replenished. Sufficient funding remains for 2013/4. Grants have largely helped older home owners to rectify category 1 hazards and remain in their homes
- Promotion of the Green Deal initiative might present opportunities to improve private sector housing conditions

Outcomes to aim for:

- Improved quality of housing and environment in our neighbourhoods
- Improved management of homes owned by SKDC
- Improved quality of private sector housing
- Households assisted to remain safely in their homes
- Increased availability of private rented accommodation

Potential solutions:

- Carry out a review of private sector renewal policies, strategies and schemes, including the potential impact of 'retrofit' and Council Tax policy
- Encourage private landlords to ensure their properties are fit through an appropriate balance of positive support and enforcement
- Maximise the number of empty homes brought back into use
- Implementation of the Sustainable Neighbourhoods project to improve and develop the way SKDC manages council estates and tenancies

Priority 3: Access to housing and the promotion of health and well being

This is a priority because:

- 4,300 households are currently on the council housing register, with around 12% having a very high need to move
- SKDC is contracted until March 2013 by Lincs County Council to provide a supported housing service to 1,130 council tenants. 1,400 mainly older private residents currently subscribe to our community alarm service. These services are currently subject to review by the County Council as part of the development of the Health and Wellbeing network
- Lincs County Council also contract a number of providers to deliver floating support services to around 155 vulnerable people and accommodation based services to 49 young and homeless people
- With an increasing older population, rates of dementia are estimated to rise by 90% and falls in the home by over 65% by 2030
- The Disabled Facilities Grant scheme is currently jointly funded by the government (57%) and SKDC (43%). The budget for 2012/13 is £500k. The average age of successful applicants is 70. Need for adaptations continues and the budget is likely to come under increasing pressure

Outcomes to aim for:

- Social housing, provided by both SKDC and Registered Providers operating in the district is fairly and effectively used to meet housing needs
- Housing options and advice available to assist households in finding housing
- Services available to help vulnerable households remain safely in their homes and live life to the full

Potential solutions:

- Work with partners to ensure services are delivered to improve the health and wellbeing of vulnerable households
- Develop an allocations policy framed to most effectively meet the housing needs of the district
- Develop a tenancy strategy to help ensure social housing is used to best effect to meet housing needs
- Maximise the initial and ongoing benefit derived from the investment in Disabled Facilities Grants in order to support independent living and the well being of communities

Part B

Tenancy Strategy Principles for Discussion

Each strategic housing authority is required by January 2013 to publish a tenancy strategy setting out how it wishes tenure to be utilised in order to maximise the benefit derived from investment in affordable housing. A primary purpose of the strategy must be to inform the tenancy policy adopted by providers working in the district.

Our strategy will need to make recommendations on the type of tenancies used and how. In preparing this we need to consider what groups are most in need of social housing, and whether households are in need of affordable rented housing in the long term or as a temporary solution.

The information presented here briefly sets out some of the data and issues in relation to household needs and implications SKDC needs to take into account in developing the strategy.

The consultation process will involve consultation with Communities PDG and wider stakeholder interests with the aim of achieving approval of the strategy by the required publication date of January 2013. SKDC will adopt its' own tenancy policy to support the strategic objectives.

What groups are most in need of social housing?

The percentage of the population in the area over 65 years of age is set to increase from 19.22% to 28% by 2020, together with associated health and mobility problems.

3.9% of the working age population are registered disabled, and this group are disproportionately represented in our housing with 37.5% of new general needs tenants considering they have a disability or long term ill health which may be physical or mental. 33% housing register applicants are aged 16- 35, 64% of whom have dependent children. 28% are aged 60 plus. Around 500 (12%) households are in need of social housing as a result of physical housing problems, such as overcrowding or poor conditions.

Are households in need of affordable rented housing in the long term or as a temporary solution?

Operational experience tells us that many customers who approach us for housing and advice seek security and affordability and are aware that these are both offered by social housing providers. Whether they seek security for their lifetime or would opt for shorter length affordable housing has not been tested as it has not been a service on offer. What we do know is that a significant

number of our annual vacancies are as a result of people choosing to move accommodation within 10 years of getting the tenancy; last year 27% of terminated tenancies were as a result of people finding their own accommodation; of these 79% had been tenants for 10 years or less. Half of these were aged 35 or under.

Data on new council tenants in 2011/12 tells us that up to 77% may be eligible for housing benefit, which will include people working part time. 28% of new tenants are working full or part time. 45% households in Strategic Housing Market Area earn less than £20k per annum. Nationally 90% of social housing tenants are in the lower half of income distribution, so affordability of accommodation is clearly important to this group.

What are other local authorities doing?

Other authorities are also currently considering how best to use the flexibilities and freedoms made available through the Localism Act, whether to adopt fixed term tenancies as an alternative to the 'lifetime' tenancies currently granted. A common strategy seems to be to support a range of tenancies, including 5 year fixed term tenancies for all new tenants and some protections and safeguards for older and vulnerable households. The principles guiding the use of flexible tenure are summarised in the following section.

The criteria for reviewing tenancies when they approach the end vary; some strategies adopting income thresholds, some taking into account education and community commitments. These review criteria are critical; for example to set an income threshold fairly high effectively results in very few tenancies potentially being terminated at 5 years. Some strategies focus on the potential to help manage breaches of tenancy conditions.

Implications for SKDC

If a provider of social housing chooses to use fixed term tenancies it must describe clearly from the outset the reasons for doing so and the factors that will be taken into account in determining whether the tenancy will be extended or brought to an end. Those factors are likely to relate to balancing the housing needs of sitting tenants with the competing claims of those currently seeking rehousing.

Consideration of whether or not to adopt flexible tenure should have regard to how helpful such a strategy could be in meeting housing need, making best use of social housing, and supporting the achievement of the council's corporate priorities.

In consulting Communities PDG views are sought on the use of flexible tenure, and if they are to be introduced what the review criteria could include. Matters we might consider include:

- In common with most social landlords, we have a customer group who may have low incomes or rely on benefits. A scheme in New South Wales has so far resulted in 99% of tenancies being renewed upon review, as tenants had not reached the

income thresholds. To introduce flexible tenancies with a review criteria which takes into account income, may not result in significant numbers of tenancies being ended

- Perceived insecurity may act as a disincentive to new tenants to invest in their new home and community and contribute to sustainable communities
- Taking action to repossess properties let on flexible tenure will have resource implications, such as staff time and legal costs. In addition increased vacancies as a result of flexible tenure would have associated void and lettings costs, but also benefits in freeing up accommodation for those on the housing register.
- We have a positive experience of implementing introductory tenancies, the practice has required SKDC to more closely manage new tenancies. Should a flexible tenure scheme be supported, it may also provide wider estate management benefits if properly resourced. Flexible tenure could serve to support the Sustainable Neighbourhoods Project.
- Many tenants already make the choice to move within five years finding their own alternative accommodation and so this together with exemption afforded to vulnerable groups may mitigate perceived negative impact of flexible tenure.

Part C

Tenancy Policy

The relationship between a tenancy strategy and tenancy policy

Where the Council's tenancy strategy will set out high level objectives for the area which all registered providers will have to 'have regard to' when considering their tenancy policies, SKDC's tenancy policy will set out how the Council's policy on matters such as:

- The kind of tenancies we will grant
- The circumstances in which we will grant them
- The length of tenancy terms
- The circumstances in which a further tenancy will, or will not be granted
- How we will take into account the needs of households who are vulnerable
- Our policy on granting discretionary succession rights taking into account the needs of vulnerable household members

This policy will determine how we give and manage tenancies of council owned properties. Should the Tenancy Strategy support the use of fixed term tenancies and set out criteria for reviewing those tenancies as they approach their end, the council will need to consider whether it wishes to make use of this flexibility in its' own stock.

Part D

Allocations Policy

Principles for discussion

Work has commenced on our new housing allocations policy, scheduled for final approval by Cabinet in February 2013. The policy will set out our scheme for allocating social (SKDC and Registered Provider) housing

Discussion of the policy principles with Communities PDG at this stage represents the beginning of a wider consultation process with stakeholders.

In considering our new allocations policy there are a number of key principles we need to discuss.

1. How do we want to define 'local connection'?
2. Should we aim to meet housing aspirations or only urgent need?
3. Do we want to reward economic or communication contribution?
4. How do we want the scheme to operate?

1- How do we want to define 'Local Connection'?

Should applicants with no local connection be accepted onto the register, and if so, should they have any priority?

Do we need to restrict access on grounds of local connection? What benefits does it offer us?

We can choose to frame our allocations policy in a way that prioritises people with local connection, or even excludes those without.

Law states that a person has a local connection because of normal residence (current or previous) of their choice, employment or family association. Homelessness guidance has established that where a person makes a homeless application they have a local connection if they have lived in an area for at least 6 out of the previous 12 months, or 3 out of the previous 5 years. Parents or adult siblings living in the area for at least 5 years may give someone a local connection.

What goes on elsewhere?

Typically definitions of local connection for the purposes of housing allocations policies, require between six and twelve months residency to qualify. Where demand for housing is very high, a longer residence may be required. Some policies deny access as a result of no local connection, and this may increase across local authorities with the freedoms of the Localism Act and pressures of welfare reform and housing need. The majority of banding schemes do not deny access but give lesser or no priority to households with no local connection.

Implications for SKDC

Currently applicants with no local connection have the housing needs assessed and 'pointed' accordingly, meaning that someone with no local connection can have high priority for housing. 58% of all applicants have been resident in the area for 2 years or more, only 1% have been here less than 12 months. A significant minority (16%) have no local connection at all. 13% of SKDC lettings in 2011/12 were to households from outside of the area. Restricting access on grounds of local connection may free up access to local people, however we also occasionally need these customers to be able to let 'hard to let' homes. It may be beneficial to SKDC to award priority to those with no local connection beyond employment or an offer of employment in the area, given their potential contribution to the wider economy in the future.

2- Should we aim to meet housing aspirations or only housing need?

We can choose to limit access to the register to those in housing need. Law requires us to ensure that the following people are given 'reasonable preference' but not absolute priority. There is no requirement that the preference is equal:

- People owed certain homeless duties
- people living in insanitary or overcrowded conditions
- people who need to move on medical or welfare grounds
- people who need to move to a particular place to avoid hardship

We also have a power to give 'additional' preference to households who need to move as a result of life threatening illness, severe overcrowding or at risk of violence.

What goes on elsewhere?

Generally allocations policies incorporate these reasonable preference categories into the higher bands of their schemes; often placing those who have the means to meet their own needs in the lowest categories. Some authorities only accept applications from those currently in need, carrying out thorough housing options interviews and assessments. Households considered to have worsened their own circumstances are generally placed in lowest priority, or excluded.

Implications for SKDC

The percentage of the population in the area over 65 years of is set to increase from 19.22% to 28% by 2020, together with associated health and mobility problems.

3.9% of the working age population are registered disabled, and this group are disproportionately represented in our tenant population with 37.5% of new general needs tenants considering they have a disability or long term ill health which may be physical or mental.

33% of housing register applicants are aged 16- 35, 64% of whom have dependant children. 28% are aged 60 plus. Around 500 households are in need of social housing as a result of physical housing problems, such as overcrowding or poor conditions.

We have very high demand for most areas where you would likely need to be in priority need to get an offer of accommodation, however in some urban neighbourhoods and rural villages demand may be weaker and offers are able to be made to households with lesser need.

It may be administratively more efficient to accept applications from households with no priority need and avoid the administration involved in rejecting applications and associated appeals process; such an approach would require a more efficient housing register process.

Limiting access to the register to all but those in current need removes a data base of households and their desires, which can be of value strategically.

3- Do we want to reward economic and community contribution?

We can choose, and are encourage by government guidance, to use the allocations policy to support households in low paid employment, employment related training, or who make a valuable contribution as a volunteer. We can prioritise those who need to move to or within the area to take up employment.

What goes on elsewhere?

Recently developed policies reward residents who 'are making an effort and taking positive steps to improve their lives and contribute to society' (Newham LBC, West Lincs) with some level of priority within the scheme, although always balanced against the reasonable preference categories.

Implications for SKDC

We have no data on housing applications as we do not currently assess using such criteria, although new general needs tenant data indicates that 18% are in full time employment 10% in part time and 35% not seeking work. There are no industries we are aware of currently in need of skills in short supply.

Links to the bigger picture

Grow the economy- such a policy position can demonstrate our commitment to supporting and facilitating the growth of business.

4- How do we want the scheme to operate?

Law requires us to have a published scheme of how we allocate housing, aside from eligibility criteria based on immigration status and the reasonable preference groups, we have power to determine who qualifies for housing within our scheme. There is no requirement for the scheme to operate in a particular way (points based for example).

What goes on elsewhere?

Banding schemes are extremely common, usually but not necessarily link to Choice Based Lettings. At their simplest they set the household types and housing situations to be placed in the range of bands usually 1-4 bands but some with more. Priority within bands can be determined by date of application. Some also have fine gradations of need, within bands, or recognising cumulative needs to elevate people up to higher bands.

The table on the following page illustrates that where a banding scheme is used, an application does not accumulate points for a range of minor issues and the whole situation is assessed. In most areas being in the lowest bands is easily translated by applicants to mean they have very little chance of being offered accommodation.

Implications for SKDC

Changing how our scheme operates would represent a culture change for staff and customers; one we could use to more broadly inform the public about housing need, how to access housing, housing options and advice.

Illustration of needs based banding scheme compared to current points based scheme

Case example	Portsmouth City Council Needs based banding system	How current SKDC policy would assess
Applicant with local connection awaiting accessible or supported accommodation before they can be discharged from hospital	Band 1: (Applicants where exceptional circumstances exist- life threatening situations, or overriding need to move on medical or social grounds. Tenants who by moving would release homes in high demand)	50 local connection 300 severe medical points 150 discretionary points Total= 500. very high priority
Homeless household to whom the council has accepted a legal duty to accommodate	Band 2 (Applicants who have an urgent housing need) provided no other housing option available.	550 points awarded: 500- homelessness 50- 10 years + residency Total= 550 points, very high priority
50 year old RSL tenant with local connection wishing to move to a smaller property	Band 3 (Applicants who have significant housing need)	50 local connection points Very low chance of an offer
Family with local connection living in overcrowded situation lacking one bedroom	Band 4 (Applicants who have an identified housing need)	400 points awarded: 50 local connection points 350 overcrowded Total= 400 points, realistic chance of an offer
Applicant 3- family overcrowded, and sharing with friends having given up a tenancy which was suitable for them	No priority awarded if they are considered to have deliberately worsened their circumstances.	350 overcrowded 50 local connection Total= 400 points, realistic chance of an offer