

# TONBRIDGE & MALLING BOROUGH COUNCIL

## HOUSING and ENVIRONMENT SERVICES ADVISORY BOARD

09 November 2015

### Report of the Director of Planning, Housing and Environmental Health

#### Part 1- Public

#### Matters for Information

#### 1 HOUSING SERVICE UPDATE

##### Summary

**This report updates Members on key issues across the Housing Service.**

#### 1.1 Housing and Planning Bill 2015 and Welfare Reform and Work Bill 2015

##### 1.1.1 Headline Proposals

1.1.2 Members will recall that the Housing Services update report to the last meeting of this Board in July 2015 outlined the changes to Housing and Welfare policies announced by the Government post the general election. These changes have now been included in the Housing and Planning Bill which was published on 13 October 2015 and the Welfare Reform and Work Bill and are detailed in **[Annex1]**.

1.1.3 The package of measures include the redefinition of affordable housing to include starter homes, the Right to Buy for Housing Association tenants, a reduction in social housing providers' rents, pay to stay for council and housing association earning above £30,000, a reduction in the level at which total welfare benefits are capped, freezing of the local housing allowance and change in entitlement of housing benefit for 18-21 year olds.

1.1.4 Although the proposed package may enable the level of "affordable housing" delivered to be retained, the shift to homeownership will place severe pressure on the rented sector and exacerbate the affordability gap which is already prohibitive for many households who cannot access the private housing market.. The redefinition of affordable housing to include starter homes for purchase will broaden options for Housing Providers but make it harder for them to make viable offers to developers for schemes involving homes for rent.

1.1.5 The reduction in social rents by 1 per cent per year to 2020 will be a considerable help for some tenants. The policy will however make it much more challenging for both Local Authorities and Housing Associations to continue to drive housing growth to meet identified local needs.. It is forecast that the sectors housing output will be smaller and a higher proportion of what is delivered is likely to be

starter homes and shared ownership rather than affordable or social rent. This will limit the supply of homes for people unable to afford any model of home ownership. The reality of this is that our opportunities to rehouse households on the Housing Register will be reduced and it will compromise our ability to meet our statutory duties in relation to housing need and homelessness. The private rented sector is not considered a viable alternative in most circumstances due to rental costs being much higher than local housing allowance rates presenting severe affordability issues. It is anticipated that an unintended consequence will be an increase in the use of temporary accommodation, leading to an increase in the cost to the public purse.

- 1.1.6 Housing Associations are still working through the impact of the reduction in rental income on their business plans and how the re-definition of affordable housing might affect their objectives (including charitable purposes). Some may decide not to deliver any rented accommodation at all in future as it may not be financially viable, or may seek to adjust downwards the affordable housing elements of schemes.
- 1.1.7 In addition to the 1 per cent reduction in social rents the other changes in welfare that have been announced such as reducing the benefit cap, benefit and tax credit updating freeze, changes in housing benefit entitlement for 18-21 year olds, will increase the pressure on the affordability and accessibility of housing, impacting disproportionately on working tenants on low incomes. There is significant risk that rent arrears will increase both in the social and private rented sector as affordability is tested. Freezing of the local housing allowance rates will mean more private renters will be unable to meet the shortfall in rent and local housing allowance. Not only will this impact on existing tenants but will also further constrain our ability to use the private rented sector to meet future housing need. The reduction in the benefit cap will mean that some households in need of 2, 3 and 4 bedroomed family sized accommodation will not be able to afford social or affordable rents, leaving an unmet housing need.
- 1.1.8 The proposals clearly represent a fundamental shift in the landscape of traditional methods of delivering affordable housing supply and meeting housing need. It is anticipated that further measures impacting on affordable housing delivery will be announced in the Comprehensive Spending Review on 25th November 2015. During the course of the next few months Members of the Housing Associations Liaison Panel will be meeting with representatives of our main Housing Association partners which will give an opportunity to fully understand how we might be impacted locally.
- 1.1.9 A future report will be presented to this Board setting out the changes and challenges for the Borough at a more local level. In the meantime it is interesting to note that various organisations are submitting representations to Government about the issues raised in outline in this report and it seems appropriate that our concerns are also passed on through appropriate channels and in particular through the Members of Parliament representing communities in the Borough.

## 1.2 Affordable Housing Delivery in the Borough

- 1.2.1 Officers continue to work proactively with our Registered Provider Partners to ensure a forward supply of affordable homes in the Borough. Set out at **[Annex 2]** is a monitoring spreadsheet showing the completed schemes for the previous and present financial year, along with the development programme by year up to 2017-18.
- 1.2.2 Since the last meeting of this Board Circle Housing Russet have completed and occupied more of the homes that are part of their regeneration of the Winterfield Estate in East Malling.
- 1.2.3 Members will note that despite emerging challenges to the provision of affordable housing described above, for the time being the Borough maintains a healthy and diverse programme of affordable housing supply across varied tenures and through different Housing Associations.. However, a note of caution is necessary as it is likely that some of these schemes will be subject to change as a result of the aforementioned changes.

## 1.3 Housing Needs Update

### Number of Households on the Housing Needs Register:

- 1.3.1 Following the review of the housing allocations scheme in August 2015, the distribution of applicants within the priority bands has changed. This is illustrated in the table below. Under the new scheme all overcrowded households are now assessed as Band B irrespective of the degree of overcrowding, and all under occupying social housing tenants are now assessed as Band B irrespective of the number of excess bedrooms in their current accommodation.
- 1.3.2 Band B now accounts for 55 per cent of registered households, with 3 per cent in Band A, 27 per cent in Band C and 15 per cent in Band D. 48 households no longer qualified to be included on the register.
- 1.3.3 On average, homeseekers represent 68 per cent of households on the housing register and transferring Housing Association tenants represent the remaining 34 per cent of the total.

Month	1 bed	2 bed	3 bed	4 bed	5+ bed	Total
<b>April 2015</b>	768	457	99	50	18	1,392
<b>May 2015</b>	781	459	108	53	18	1,419
<b>June 2015</b>	784	464	111	54	16	1,429
<b>July 2015</b>	543	342	78	41	7	1,011
<b>August 2015</b>	529	344	80	42	7	1,002
<b>September 2015</b>	549	359	89	43	7	1,047

**Number of households housed:**

- 1.3.4 The table below shows applicants housed via Kent Homechoice during the period April 2015 – September 2015, broken down by bed need. Approximately 68 per cent of all lettings were made to homeseekers during this period.

Month	1 bed	2 bed	3 bed	4 bed	5+ bed	Total
April 2015	10	10	10	0	1	31
May 2015	12	6	7	2	0	27
June 2015	28	15	9	2	0	54
July 2015	26	19	13	1	0	59
August 2015	24	5	11	0	0	40
September 2015	15	8	13	0	0	36
<b>Total</b>	<b>115</b>	<b>63</b>	<b>63</b>	<b>5</b>	<b>1</b>	<b>247</b>

**Average waiting times:**

- 1.3.5 The table below shows the waiting times of applicants that have been housed via Kent Homechoice during the six month period between 1 April 2015 and 30 September 2015, broken down by size and type of accommodation. Waiting time is impacted to a large degree by the availability of each property type and bidding behaviours, as some applicants are prepared to wait for particular property types or particular locations before placing bids.

Property type	No. of lets	Shortest wait	Longest wait	Average wait
Sheltered	18	4 weeks	14 years	20 months
1 bed	95	5 weeks	4 years	11 months
2 bed flat	38	5 weeks	3 years	13 months
2 bed house	24	7 weeks	8 years	19 months
3 bed flat	4	10 weeks	4 months	12 weeks
3 bed house	57	5 weeks	5 years	6 months
4 bed house	5	6 months	5 years	3 years

**Housing options**

- 1.3.6 The table below illustrates the number of customers approaching the Housing Options team in the past six months. The majority of our customers contact the Housing Options team for advice to prevent them from losing their current home or are seeking assistance to find alternative accommodation. The average number of households making a homeless application is 12 per month for 2015 so far, compared to 7 per month for 2014. The most common reason for homelessness remains the ending of a private sector assured shorthold tenancy.

Month	Number of approaches	Homeless applications	Advice only	Homelessness Prevented	Open
April 2015	76	18	33	7	13
May 2015	56	10	27	4	12
June 2015	44	5	13	3	22
July 2015	70	13	37	5	8
August 2015	55	8	26	7	6
September 2015	67	6	33	3	21
Total	368	60	169	29	82

### Temporary Accommodation

- 1.3.7 The following table provides a 'snapshot' of the number of homeless households living in temporary accommodation at the end of each month. The figures demonstrate the increasing demand for temporary accommodation and are a reflection on the length of time taken to rehouse households in to more permanent accommodation.

Date	Number in self contained temporary accommodation (AST)	Number in self contained temporary accommodation (nightly paid)	Number in traditional bed & breakfast	Total
30.4.15	3	16	3	22
31.5.15	3	16	3	22
30.6.15	3	13	0	16
31.7.15	3	10	4	17
31.8.15	3	7	3	13
30.9.15	3	12	6	21

## 1.4 Private Sector Housing News

- 1.4.1 Members have already heard via an earlier report this evening about the many changes impacting on the Private Rented Sector. Further key operational updates are detailed below.

### Landlord Fair

- 1.4.2 The latest West Kent Landlord Fair was held on Wednesday, 14 October 2015 here at the Council offices. The event, which was organised jointly by ourselves, Sevenoaks D.C., Tunbridge Wells B.C. and the National Landlords Association (NLA) was very successful in attracting an attendance of close to 50 landlords and letting agents in total.
- 1.4.3 Landlords heard about the roll out of universal credit, good practice on inventories, the new legislation on smoke and carbon monoxide alarms as well as an

extensive update from the NLA on the new regulatory changes. Workshops covering working with the Council to re-house households, the Housing Health and Safety Rating System and tax hints and tips were also held. The evening was rounded off with an expert panel question and answer session which was well received.

- 1.4.4 Clearly, good quality, private rented accommodation remains in high demand and we see these events as key to working with landlords to encourage high standards and partnership working. The feedback was, again, very positive and we now start to plan for the next event due to be held in Tunbridge Wells in March 2016.

### **Energy Deal**

- 1.4.5 Members may be aware that on 8 October 2014 Cabinet agreed the Council would work collaboratively with other 'Energy Deal' authorities (Dover District Council, Dartford District Council, Gravesham Borough Council and Tunbridge Wells Borough Council) on a winter collective switching campaign using the Local Government Association framework contract, managed by the North East Procurement Organisation (NEPO).
- 1.4.6 Collective switching schemes help residents to obtain a low price for energy, assist in maximising household income and can help to alleviate fuel poverty. Collective switching is where a third party negotiates a better energy tariff on behalf of a group of residents. Such schemes enable residents to register an interest in participating in a 'reverse energy auction' and to subsequently receive a new energy provider offer. The energy providers that offer the best deal on that day for the majority of residents will be selected. There is no obligation on registrants to accept the offer.
- 1.4.7 The Council has taken part in three rounds of Energy Deal to date; our main focus being the winter campaign. There were 255 households who registered their interest in switching in February 2015, the majority of whom could save on their energy bills if they chose to switch. Of these 105 households actually switched following their personal Energy Deal tariff offer. For Tonbridge & Malling this represented an overall switching rate of 41 per cent. The average savings across all categories (on line, paper billing, pre-payment) was £247. For those who paid monthly by direct debit (dual fuel and electricity only) the savings ranged from £197-£264. Of those who were directly assisted by the Council in registering, 63% went on to switch with an average saving of £237.
- 1.4.8 A Memorandum of Understanding/Participation Agreement was entered into with the 'Energy Deal' authorities which is due to expire on 15 December 2015. This agreement is currently being refreshed and it is not anticipated that there will be any changes to the principles and terms of the collaborative agreement. Auctions have previously taken place in February, May and October months and it is

expected that there will be a further three auctions under the refreshed NEPO framework contract.

### **Disabled Facilities Grants (DFGs)**

1.4.9 Members will be interested to note the trends over the last six years in relation to DFG activity:

Year	Number of enquiries rec'd	Number of formal applications approved	Number of Completions	Number of working days to approve an application
2010/11	114	82	87	15
2011/12	221	68	63	13
2012/13	189	100	89	9
2013/14	163	69	85	16
2014/15	162	78	67	8
2015/16 to date	109	42	39	12

- 1.4.10 As can be seen, not all the referrals received progress into actual DFG applications. There may be a number of reasons for this, including Housing Associations funding adaptations for their tenants from their own budgets, a high client contribution, meaning that they do not qualify for a DFG and works required not being reasonable and/or practicable to undertake.
- 1.4.11 Members should note that the completion of a DFG may occur in a different year to when it was approved. The Council has a statutory duty to approve or refuse a DFG application (once it is complete) within six months of receiving it. There is a consistent high level performance on the time taken to approve an application.
- 1.4.12 The referral rates, numbers of applications and number of approvals of DFGs has remained fairly consistent over the last five years. There are currently 160 live DFG cases with our Private Sector Housing Team. These cases range from being at enquiry stage right through to works being completed. Of these 160 cases, 15 are childrens' cases, the remainder being in respect of adults.
- 1.4.13 In terms of waiting times with the County Council, as of October 2015 we understand there were 42 adults awaiting an OT assessment across Tonbridge & Malling with none waiting longer than one month. Of these 42 it is anticipated that approximately 14 will become DFG referrals with the remainder being minor equipment or manual handling cases. There are 6 children awaiting a full OT assessment having already been initially screened. Again waiting times have not

been longer than one month. In both adults and children's cases, the Occupational Therapy teams have been using additional staff in order to ensure waiting times are minimised.

- 1.4.14 Whilst the demand for the service and the number of completions has remained broadly the same over the last 5 years, the spend as at the end of September was £149,000 against a base budget of £665,000. Work is ongoing to analyse predicted spend for this current year based on the number and type of cases in the system. Works can range from £2,000 for straight stair lift or shower works right through to the £30,000 maximum DFG for major works including extensions.
- 1.4.15 One possible explanation for the profile of the budget is that in previous years we have been carrying forward a backlog of cases resulting in demands on the budget remaining high. Members may recall historic updates to the Board, reporting delays to approvals due to the budget being committed in advance of the end of the financial year. This had the effect of exerting additional pressure on the following year's budget. It is clear from our current active DFG list that the number of "older" DFGs is very few and we are in the main, dealing with current cases. It therefore appears that the demand on the DFG budget is levelling out and we need to review it carefully.

## **1.5 Legal Implications**

- 1.5.1 None arising from this report

## **1.6 Financial and Value for Money Considerations**

- 1.6.1 A review of the DFG budget will be required for this and future years to ensure that budgets are set in accordance with the demand for the service.

## **1.7 Risk Assessment**

- 1.7.1 None arising from this report.

Background papers:

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Nil

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