

WELWYN HATFIELD BOROUGH COUNCIL
SOCIAL OVERVIEW AND SCRUTINY COMMITTEE – 16 NOVEMBER 2016
REPORT OF THE EXECUTIVE DIRECTOR

STRATEGIC HOUSING UPDATE

1 Executive Summary

- 1.1 This report provides an update on the work of the strategic housing service and an overview of the current key issues.
- 1.2 The Housing and Community team are responsible for the development and monitoring of the Housing and Homelessness Strategy; response to issues in the private rented sector, licensing Houses in Multiple Occupation (HMOs); the Landlord Accreditation Scheme (PAL); management of the Disabled Facilities Grant service; monitoring empty homes and development of housing policy.
- 1.3 The team also deals with both enablement and delivery of affordable homes via the council's Affordable Housing Programme. The programme is monitored on a regular basis at Cabinet Housing and Planning Panel and therefore is not part of this update.

2 Recommendation(s)

- 2.1 Members to note the content of this report

3 Explanation

Housing and Homelessness Strategy 2013 to 2018

- 3.1 The council published the joint housing and homelessness strategy in 2013. The Action Plan is monitored on a quarterly basis by the Steering Group. The key priority areas are set out below, alongside an update on each area.
 - Supply of Affordable Housing
 - Raising standards in the private sector, particularly HMOs
 - Making best use of housing in the borough
 - Meeting older people and vulnerable group's housing needs
 - Prevention of homelessness

Supply of Affordable housing

- 3.2 Under this priority area, the main objectives were to set a borough wide target for housing and affordable housing development via the Local Plan. This is currently being consulted on as part of the Local Plan process; and to deliver the actions set out in the council's Affordable Housing Programme. The council agreed a five year Delivery Plan in April 2016. Progress on this is monitored on a biannual

basis by Cabinet Housing and Planning Panel. 73 properties had been developed via the programme at the end of June 2016. The Delivery Plan sets out our ambition to provide 600 by 2021

Raising Standards in the private sector, particularly HMOs.

- 3.3 In the most recent census (2011) the percentage of private sector homes was 14%. It is likely that this proportion has increased since then, in line with national trends – which has seen a reduction in owner occupation and an increase in the number of households in privately rented accommodation.
- 3.4 The stock modelling work undertaken in 2014 indicated that there are approximately 2340 HMOs in the borough, which is around 5% of the housing stock (national average 2%). However as these are predominantly located within Hatfield, the proportion of HMOs as the housing stock within the town is greater.
- 3.5 The team has a strategic approach to management of the private sector, which is based on gathering good quality data, proactive and reactive inspection work and risk rating all HMOs at first inspection, to determine the future frequency of inspection.
- 3.6 The data from the stock modelling exercise has been used to proactively target areas of the borough where we suspect there are HMOs which have not yet been inspected. The team carry out desk top research which rules out any properties which are not privately rented.
- 3.7 Any properties that are suspected HMOs are sent a declaration form and the average response rate to this (April to September) is 78%. Visits are carried out to properties where a form is not returned. In the last six months, this approach has led to the investigation of 43 roads, 2900 properties and identified 75 HMOs (previously not confirmed) plus 101 single occupancy privately rented homes.
- 3.8 Overall the team has now risk rated more than 1000 HMOs of which 372 are subject to mandatory licensing.
- 3.9 Where appropriate and necessary the team will take formal enforcement action and there are three separate cases underway at present.
- 3.10 The team also promotes our Landlord Accreditation Scheme. Since rebranding the team in June 2015, the focus has been on bringing letting and managing agents up to standard. Where they have applied, are eligible and following an audit of their management practices meet PAL standards, agents become 'partners' of the scheme.
- 3.11 There are currently nine letting agents with partner status, covering 1509 properties; there are a further 301 properties accredited under the management of individual landlords. Two further agents have applied for partner status and the team are working with them to bring them up to standard. We are just about to launch a 'pilot' whereby the agents with suitable training will 'accredit' properties directly. There will be a formal auditing process to ensure that the standards are met under this scheme.
- 3.12 The government has just launched a consultation on their future plans to extend mandatory licensing of HMOs, removing the three storey threshold and including all HMOs with five people or more. This will significantly increase the number of

properties that are subject to mandatory licensing within the borough, but is considered a positive move in terms of improving standards. The draft response is being prepared for Cabinet Housing and Planning Panel's approval.

Making best use of housing in the borough

- 3.13 As part of this priority area, officers have reviewed current council stock information in order to develop a five year investment plan. This is due to be finalised by the end of this year; a full review of the council's sheltered housing stock (1800 units) has been carried out to identify trends in supply and demand, stock condition, suitability and any future opportunities for remodelling or improvements.
- 3.14 As a result a number of schemes have been identified for refurbishment and modernisation and a programme of works is being developed. Officers are also carrying out further viability and feasibility work on schemes where a potential to redevelop has been identified.
- 3.15 In addition to this the community alarms and assisted technology services have been extended to both existing tenants and the wider community – helping people remain in their own homes for longer.
- 3.16 The council's Under Occupation and Overcrowding Strategy was reviewed and refreshed, to ensure that there are both incentives in place for tenants to move from homes that are too large for their needs, as well as help and support for families who are experiencing overcrowding. This policy will be reconsidered in light of emerging issues, such as welfare benefit changes affecting single people.
- 3.17 As part of the council's Affordable Housing Programme, officers are investigating a buy back/rehouse option for older people living in owner occupied homes – whereby the council would purchase a family sized home at a discounted rate, in exchange for providing suitable rehousing.
- 3.18 Joint work with the CAB continues as part of the Healthy Homes project; home visits are made to older people who are experiencing fuel poverty – to provide support and help with potential improvements to their homes and ways to reduce fuel bills.
- 3.19 The annual survey of empty homes is underway. Owners of long term empty homes (empty for more than six months) are contacted to find out why their property is empty and to offer help and support with bringing the property back into use.
- 3.20 The Welfare Reform and Work Act 2016 imposed a 1% rent cut to be implemented by social landlords for four years, commencing in 2016. This has led to a tougher financial environment for social landlords – including the council; some social landlords have reviewed their development programme and/or refurbishment programmes in light of this change.

Meeting older people and vulnerable group's housing needs

- 3.21 Linked to the priority area above, an Older Person's Housing Strategy has been developed. This is set out in a separate report to this Committee
- 3.22 Other key outcomes have been to complete a review of the needs of the gypsy and traveller community – this was completed in the summer of 2016 and is part of the evidence base for the draft Local Plan; a joint Strategic Board has been set up with Herts County Council children services, health and other districts – to jointly consider the supported housing needs of families with children and care leavers; a cross county joint pathway model for prevention, supported housing and move on accommodation is being developed as a result
- 3.23 Similar work is underway with Adult Care Services and health services, to better understand and meet the needs of vulnerable groups such as adults with learning difficulties, mental health issues, drug and alcohol use, victims of domestic abuse and ex-offenders. A multi-agency Strategic Board has been convened and will be agreeing a Supported Housing Strategy to meet the needs identified across the county.
- 3.24 The first strand of work underway is to review and improve information and advice available for people with mental health issues; local liaison meetings are to be set up in each district, to help provide a suitable forum for discussing and finding solutions for complex cases; joint training opportunities are being explored with colleagues from health and social care.
- 3.25 Members should note that earlier this financial year Herts County Council (HCC) announced funding cuts of 15% to a number of supported housing projects across the county. They also plan to withdraw all housing related support funding from projects which support people with mental health issues. The 15% cut has impacted on the local YMCA, the GAP scheme, Mike Mably House and the council's floating support service. The Whitehouse (scheme for people with mental health issues) has subject to the full cut. Discussions are ongoing with colleagues from both social care and health, to find ways to mitigate the potential negative impact of these cuts.
- 3.26 HCC are recommissioning the housing related support element of women's refuges across the county. Pre tender market engagement has been underway for some time and a full tendering process is likely to start in January. HCC are keen to establish a 'lead provider' model, which would see the housing related support provided through one organisation – potentially with existing providers forming part of a consortium model. A number of district councils are represented on the project board in an advisory capacity, although the nature and approach to the procurement is being led by HCC.

Prevention of Homelessness

- 3.27 Despite increasing pressures due to an ongoing mismatch of demand and supply, the number of households that the council has placed in temporary accommodation has generally remained at a steady number. The council has not had to use bed and breakfast accommodation, other than for a handful of individuals who have very complex needs. However this situation is monitored closely and there has been a recent increase in the number of households in temporary accommodation which the team is seeking to address.

- 3.28 The team works hard to prevent homelessness and to be proactive about finding alternative solutions for residents. Achievements to date include the introduction of a more comprehensive online housing options module via Herts Choice Homes; establishment of a multi-agency Rough Sleeper Protocol – setting out ways to report and provide support to rough sleepers; the establishment of the ‘joint front door’ approach between HCC and district councils for the assessment of the housing needs of 16 and 17 year olds
- 3.29 A key future aim is to achieve Gold Standard Accreditation for the housing needs service – under the National Practitioner and Support Service initiative. This involves a detailed peer review exercise and continuous service improvement to meet ten key challenges. The service has achieved bronze standard already and hopes to be awarded silver standard by the end of this calendar year.
- 3.30 Due to an increase in the number of rough sleepers reported to the housing needs service over the last year, the team is coordinating a rough sleeper count; the information gathered will help support any new initiatives or funding bids to provide support to help engage with rough sleepers and resettle people wherever possible.
- 3.31 The government has recently announced some funding to support innovative solutions to help prevent homelessness and to support resettlement of rough sleepers. Officers are working on submitting a joint bid alongside neighbouring local authorities.

Looking Forward

- 3.32 There are a number of changes that have been brought about by recent government legislation or are likely to be brought forward which will impact on the strategic housing service. The key issues are set out below

The Housing and Planning Act 2016

- 3.33 This introduces a duty on local authorities to promote the supply of starter homes. Starter homes are valued at 20% less than market value and are specifically for first time buyers under 40 years old. The homes are price capped at £250K outside London. The council is waiting for the regulations which will set out more detail; however this may reduce the ability to provide affordable rented homes via the planning system.
- 3.34 A duty is also placed on the council to grant development permission on sufficient plots of land to meet local demand for self build and custom house building.
- 3.35 The Act introduces extended powers to deal with rogue landlords – including the ability to apply for a banning order, lasting at least six months, to stop people who have committed banning order offences from letting housing, engaging in letting agency work or engaging in property management work. The council will be able to impose financial penalties of up to £5000 for breaches of banning orders
- 3.36 Part Four of the Act introduces the voluntary Right to Buy scheme for housing associations; a levy imposed on the council to reflect the anticipated sale of high value council homes and Pay to Stay – the requirement for council tenants with

an income of £31,000 or greater to pay a higher rent, up to the market level. The additional income from increased rents charged must be paid to government.

- 3.37 Tenants in receipt of housing benefit are exempt from Pay to Stay. As the council does not routinely collect income details from tenants, it is difficult to predict how many tenants will be impacted by this policy. The government has said that it wants this introduced by April 2017; on this basis a project group has been set up and the information that is known has been communicated to tenants.
- 3.38 Part Four also introduces changes to security of tenure; the phasing out of the right to a lifetime secure council tenancy, to be replaced with a fixed term tenancy of no less than two years and no more than ten years for all households who become new council tenants after the Act came into force and for those existing tenants who apply to move; changes to the law on tenancy succession mean that where the successor is not a spouse or partner of the tenant, the tenancy will be converted to a five year fixed term, which will not automatically be renewed when it comes to an end.

Welfare Reform and Work Act 2016

- 3.39 A separate report to this committee sets out the detail of the provisions in this legislation; there are a number of implications arising from the changes – particularly in relation to securing housing in the private rented sector.
- 3.40 These include the reduction in the benefit cap, the freeze on the level of Local Housing Allowance for four years to 2019/20; the restriction of housing benefit for people under 35 years. These measures will reduce the benefit income for some families and in particular restrict their access to housing benefit, which could lead to a risk of homelessness.
- 3.41 The government plans to make changes to the funding arrangements for supported housing. A further report will be brought to set out the proposals, once these are clearer.

Homeless Reduction Bill

- 3.42 The Homeless Reduction Bill is currently making its way through the parliamentary system; the Private Member's Bill has now gained the support of the government and the Local Government Association. The Bill places duties on local authorities to help prevent people from becoming homeless within 56 days of them being at risk of losing their home.
- 3.43 A further report will be brought updating members, once the detail of this legislation and therefore the implications for the council are known.

Implications

4 Legal Implication(s)

- 4.1 This report sets out the changes brought about by new legislation and highlights other legislative changes that are likely to bring changes to the council's duties in the future.

5 Financial Implication(s)

- 5.1 There are no direct financial implications arising from this report; however the duties imposed by the Housing and Planning Act do incur costs, particularly in relation to the introduction of Pay to Stay.
- 5.2 The government has said that it will pay reasonable set up and administration costs to compensate councils, however it is not yet clear whether these will fully compensate the costs incurred
- 5.3 Future financial risks are set out in the risk section of this report.

6 Risk Management Implications

- 6.1 Financial; it is likely that the council will see an increase in rent arrears amongst its tenants, due to the reduction in benefits and the introduction of Pay to Stay;. Current controls are the joint work with CAB, proactive rent arrears recovery, signposting to support and financial services; effective use of Discretionary Housing Payment grant; Current mitigation is a sum set aside for bad debt.
- 6.2 Increase in homelessness; the reduction in availability of private rented accommodation is likely to lead to increased demand for housing and possibly a rise in homelessness with the associated financial burden and social cost to families; controls in place are robust housing options service and homeless prevention; joint work with the CAB and other agencies to prevent homelessness; development of single housing pathway with HCC and other districts for young people; development of Strategic Housing Board across Herts to review/protect and develop supported housing services for adults with support needs; Affordable Housing Programme; review of temporary accommodation provision. Mitigation – application to the newly announce government funding pot; review of plans to launch a Social Letting Agency and the potential incentives for private landlords to help vulnerable households.
- 6.3 Reduction in availability of supported housing schemes; the 1% rent decrease applying to non-exempt supported and sheltered housing will put a lot of financial pressure on the providers some of whom are already concerned about their viability in the aftermath of the reduction in supporting people funding; the implication of future changes to the financial arrangements for supported housing are not fully known, but providers are concerned about the risk to future income streams. Controls in place are the development of the Strategic Housing Board across Herts to review/protect and develop supported housing services for adults with support needs; the Strategic Housing Board (Children Services) is in place and has led to a partnership approach to delivery of supported housing and support.

7 Security & Terrorism Implication(s)

- 7.1 There are no implications for security and terrorism arising from this report. However the council will remain closely engaged with the work of the Community Safety Partnership and PREVENT to ensure that any possible social implications arising from these measures are properly understood and monitored.

8 Procurement Implication(s)

8.1 There are no procurement implications arising from this report.

9 Climate Change Implication(s)

9.1 There are no climate change implications arising from this report

10 Link to Corporate Priorities

10.1 The subject of this report is linked to the Council's Corporate Priority 'Meet the Borough's housing needs'

11 Equality and Diversity

11.1 An Equality Impact Assessment (EIA) has not been carried out in connection with the proposals that are set out in this report.

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