

**SCRUTINY COMMITTEE  
REVIEW REPORT**



## **HOUSING SERVICES**

Report date:	5 July 2017
Lead reviewer(s):	Councillor Derek Conway (review coordinator) and Councillors Mike Dendor, Mick Galvin and Samuel Koffie-Williams
O&S support officer:	Bob Pullen, Policy and Performance Officer
Service liaison officer(s):	Amber Christou, Head of Resident Services
Head(s) of service:	Amber Christou, Head of Resident Services

### **1 Report summary**

- 1.1 This report outlines the findings of the Task and Finish Group which was established to review the effectiveness of aspects of Swale BC's housing service.

### **2 List of recommendations**

2.1 The Task and Finish Group recommends:

- a) **Cabinet should consider what more the Council can do to help housing associations provide more affordable and social housing in Swale;**
- b) **Cabinet should consider ways to provide housing associations a closer role in planning applications for housing development, e.g. by routinely consulting them;**
- c) **that Cabinet considers whether it should make further capital investments into selective housing stock;**
- d) **that Cabinet considers whether the Council is doing enough to alleviate social housing pressures, and whether Swale should follow the lead of other councils and adopt a less risk-adverse approach to property acquisition;**
- e) **that the housing team, supported by the Cabinet Member for Housing and Wellbeing, bid for capital funding should any empty properties become available that owners agree to let the Council use;**
- f) **Cabinet should consider whether the residency criteria (i.e. living in Swale for four years out of five) in Swale's Housing Allocations Policy is a help or a hindrance towards helping those in housing need, and if the latter, whether the policy should be reviewed;**

- g) that Cabinet be encouraged to write to the Secretary of State for Communities and Local Government drawing attention to the severe pressures Swale was facing in housing homeless families.**

### **3 The review**

3.1 The Task and Finish Group (TFG) was established to:

- understand the reasons why the provision of temporary accommodation in Swale has been consistently problematic and how this can be overcome;
- explore the causes of pressures on housing services (lack of availability of affordable private rented sector housing, low numbers of affordable houses being built in the Borough, lack of available properties for tenants to 'down-size' to) and possible measures for alleviating them;
- review what effect the purchase of a property to house homeless families has had and whether this initiative should be extended; and
- as necessary, to make recommendations to Cabinet.

3.2 The review was instigated by the Scrutiny Committee and the review plan was agreed by the Committee on 17 March 2016 and is at Appendix I.

3.3 The review was conducted principally through a number of meetings between the TFG and representatives from housing associations, members and officers from other district councils and officers at Swale Borough Council. A schedule of who we met is at Appendix II and a glossary of key terms used in this report is at Appendix III .

3.4 The TFG would like to thank all those who agreed to meet with us to answer questions and for providing information. The TFG would also like to thank officers from Swale Borough Council for their input.

3.5 The review was led by Councillor Derek Conway and the other Task and Finish Group members were Councillors Mike Dendor, Mick Galvin and Samuel Koffie-Williams. The TFG were supported by Bob Pullen, Policy and Performance Officer, as overview and scrutiny support officer.

### **4 Background**

4.1 The Council has a statutory duty to house families who present themselves as homeless and are accepted as such under the Housing Act 1996. As the Council transferred all of its housing stock in the 1990s, the accommodation used to house homeless families is either:

- housing association stock;
- private rented accommodation; or
- temporary accommodation, e.g. bed and breakfast.

4.2 The incidence of homeless families being housed in temporary accommodation is becoming more prevalent. At December 2016 there were 145 households living in temporary accommodation. In 2013/14 there were 76. Homeless applications are also rising, with applications nearly doubling between 2013/14 and 2015/16. This is not a case of the Council simply underperforming but has resulted from a series of factors which most local authorities in Kent are experiencing including:

- proximity to London and the displacement of people from the capital due to increasingly high and unaffordable rents and property prices;
- the changes brought about by welfare reform;
- the loss of private rented accommodation within the borough;
- the diminishing number of affordable homes being provided; and
- the increasing number of households who are presenting themselves as homeless.

4.3 In common with most areas, the biggest factor in households presenting themselves as homeless, or are threatened with homelessness, is termination of a private rented sector tenancy. This can be as a result of the landlord deciding to sell the property or choosing to rent to tenants with a more stable income. There is no obligation on private sector landlords to offer tenancies to homeless families.

4.4 The Housing Options Team within Resident Services work very hard to prevent households becoming homeless and in 2015/16 they successfully prevented 277 households from doing so. The work of the Team has been showcased nationally with Matt Allright from the Housing Enforcers BBC television series shadowing members of the Team as they go about their duties.

4.5 The report describes the reasons why it is getting harder to house families who present themselves as homeless and makes some proposals for measures that may alleviate them.

4.6 There were two significant policy dimensions on the horizon which could have a bearing on the Council's housing function as follows, and the key issues arising from these are described in Appendix IV:

- the Homelessness Reduction Act 2017 is due to be enacted by Government within the next two years; and
- the Housing White Paper was published on 7 February 2017.

## **5 Findings**

### **Role of housing associations**

#### **Key findings**

5.1 The landscape in which housing associations operate is changing.

- 5.2 A number of housing associations operate in Swale, but the biggest by far is AmicusHorizon who took over management of the Council's former housing stock when it was transferred to the then Swale Housing Trust in the 1990s. AmicusHorizon are a key strategic partner to the Council. They are represented on the Swale Public Services Board, Health and Wellbeing Board and they have staff working alongside our officers - e.g. in the Community Safety Unit.
- 5.3 Other housing associations with a significant operation in Swale include Hyde and Moat, and along with Amicus, the Group met representatives from all of these housing associations. A key feature was that all were currently involved in mergers with other housing associations with the objective of creating bigger organisations which were more resilient to change and market forces.
- 5.4 The changing landscape that housing associations were operating in included:
- reduction in Government subsidies and grants;
  - a 1% year on year reduction in social rents;
  - changes to legislation and policy;
  - classification of affordable housing being extended to starter homes; and
  - becoming more commercially driven, using sales of property to cross-subsidise social housing.
- 5.5 The 2015-18 affordable homes programme had been transferred to the shared ownership homes programme and these homes are no longer designated for local people only.
- 5.6 All housing associations said that they operated in an opportunistic way, targeting areas where they could work with developers to provide social and affordable housing.
- 5.7 Housing associations welcomed being involved with local authorities at an early stage of a proposed development and all those we met said that they had a very positive relationship with the Council in this respect.
- 5.8 Shared ownership schemes, which the Government were actively promoting, were less deliverable in parts of Swale due to low land values.
- 5.9 Void rates in housing association stock in Swale is among the lowest in the country which is testament to the close working relationship the Council has with providers.
- 5.10 Given the constraints that housing associations now find themselves operating in and the importance of Swale having more social and affordable housing provision to help it meet housing need, the TFG considers that Cabinet gives consideration to these findings and therefore recommends:

**Recommendation:**

- a) Cabinet should consider what more the Council can do to help housing associations provide more affordable and social housing in Swale;**

**b) Cabinet should consider ways to provide housing associations a closer role in planning applications for housing development, e.g. by routinely consulting them;**

## **Role of local authorities**

### **Key findings**

5.11 In order to gain a different perspective, the Group visited two other local authorities to speak to members and officers about how they discharged their housing functions. The Group was struck by the challenges facing each council. A summary of these is as follows:

- Maidstone:
  - vibrant county town;
  - mainly affluent population;
  - lots of speculative commercial development which had been converted to residential under permitted development rights;
  - willingness to invest in property to be used as temporary accommodation including the establishment of an in-house team whose role was to identify and acquire investment opportunities, including residential;
  - purchased former NHS nursing accommodation for use as temporary accommodation for mainly young and vulnerable people, employed full time manager to run;
  - excellent transport links;
  - one main population centre;
  - no families placed in bed and breakfast accommodation;
  - significant problem of London Boroughs placing families in borough leaving less accommodation available for local families;
  - housing register stipulates two years local residency as a qualification criteria; and
  - most new development identified in the Local Plan will happen in rural areas – don't envisage any problems in securing affordable homes.
  
- Thanet:
  - still own and manage part of original housing stock – enables the council greater flexibility in housing homeless households and provides an additional funding stream for new development through the Housing Revenue Account;

- major housing-led regeneration project in Cliftonville in one of the most deprived wards in England – legacy of holiday hotels being turned into Houses in Multiple Occupation (HMOs) in the 1980s, including the infamous Hotel Leslie;
- significant rough sleeping problem – council part funded winter shelters operated by the voluntary sector;
- largest number of empty homes in Kent;
- three year residency qualification criteria to be eligible for the housing register;
- close links with two local providers in the private sector for temporary accommodation and one agency that can place people across Kent;
- main population centres are individual towns, but all linked by good public transport networks; and
- Local Plan anticipates some 17,000 extra homes, mainly extending out from existing urban areas – confident in securing 30% affordable provision.

5.12 The key characteristics of Swale’s housing situation are as follows:

- variable viability across the borough with provision for affordable homes in the new Local Plan as follows:
  - Isle of Sheppey – 0%
  - Sittingbourne – 10%
  - Faversham – 35%
  - Rural areas – 40%;
- limited temporary accommodation with households having to be placed in hotels and bed and breakfast as a last resort, which is expensive;
- diminishing availability of private rented housing to use as temporary accommodation, partly as a result of national policy changes on stamp duty and taxation around buy-to-let;
- very small stock of council-owned accommodation to place households with a housing need;
- agents for London Boroughs placing their clients in the Swale area; and
- just under 300 families in Swale are likely to be affected by welfare reform with some unable to afford the full private sector rent or social rent potentially leading to unintentional homelessness.

5.13 In recent years Swale BC has used reserves to purchase two properties in Sittingbourne and Sheerness to place households in housing need in temporary accommodation. These have been augmented by the use of a further property in

Teynham which had previously been brought back into use through the 'No Use Empty' scheme. While this has alleviated some of the pressures on the Council being able to find temporary accommodation in which to place households in housing need, the pressures on temporary accommodation are growing which is already resulting in families having to be placed outside the borough, away from their support networks.

5.14 A recent innovation as a means of providing more accommodation for homeless families that the Task and Finish Group kept hearing about was modular homes. A number of the London Boroughs were embarking on schemes to provide accommodation in the form of temporary, factory-built units that can be moved between sites, or even modified shipping containers or chalets of the type that are used as temporary classrooms in schools or offices on building sites. The article from Inside Housing at Appendix V gives more details.

5.15 The TFG therefore recommends:

***Recommendation:***

**c) that Cabinet considers whether it should make further capital investments into selective housing stock;**

**d) that Cabinet considers whether the Council is doing enough to alleviate social housing pressures, and whether Swale should follow the lead of other councils and adopt a less risk-adverse approach to property acquisition;**

**e) that the housing team, supported by the Cabinet Member for Housing and Wellbeing, bid for capital funding should any empty properties become available that owners agree to let the Council use;**

5.16 The Group noted that the two councils it visited both had significantly different residency criteria in place than we have at Swale regarding the eligibility criteria under their housing allocations policies. Swale is four years out of five whereas Thanet's was three years and Maidstone's was two years.

5.17 The TFG therefore recommends:

***Recommendation:***

**f) Cabinet should consider whether the residency criteria (i.e. living in Swale for four years out of five) in Swale's Housing Allocations Policy is a help or a hindrance towards helping those in housing need, and if the latter, whether the policy should be reviewed.**

5.18 Despite the severe challenges facing the Housing Team, the Group did hear a great deal about the excellent service they provided to residents, some of whom were vulnerable and often desperately worried for themselves and their families.

5.19 For example, a newly created post of Housing Welfare Reform Officer had worked with over 30 households to help them into employment. All households are encouraged to seek pathways into employment as part of the routine homelessness prevention process, but the creation of this new post has massively increased the resource available and is having a big impact.

5.20 The Group also want to put on record some of the challenging situations which the Housing Options Team has to face. For example, during 2015/16 the Police or Ambulance Service were called out to assist customers at Swale House over 50 times. These incidences arise from threats of violence, drug or alcohol problems, safeguarding referrals and mental health issues.

5.21 Notwithstanding the variable targets for affordable homes in the new Local Plan, the fact that the housing associations which operate in Swale are all going through the process of merging with sometimes much bigger associations should be a cause for optimism if these expanded organisations continue to invest in Swale.

5.22 In conclusion, the TFG recommends:

**Recommendation:**

**g) that Cabinet be encouraged to write to the Secretary of State for Communities and Local Government drawing attention to the severe pressures Swale was facing in housing homeless families.**

**Appendices**

Appendix i Review plan

Appendix ii Review participants

Appendix iii Glossary

Appendix iv Homelessness Reduction Act 2017 and Housing White Paper

Appendix v Inside Housing – Temporary Solution



## O&S REVIEW PLAN: PERFORMANCE REVIEW



### **About performance reviews**

The objective of a performance review is to examine the reasons for apparent under-performance of a council service, to assess prospects for improvement, and to make recommendations to Cabinet where appropriate. The output of a policy review is always a report to Cabinet. Typical questions for this type of review are:

- Is this service genuinely under-performing, and if so why?
- Are there plans and systems in place which will help it improve?
- What more needs to be done?

The review needs to be tightly focused on a single service area which appears to be under-performing against performance indicators, planned actions, customer satisfaction or budget management. A performance review could also be conducted on a service run by one of the council's partners, but in this case the committee will need to be clear that it has sufficient powers to review the service and make recommendations for improvements – if it does not, then the issue should be treated as an information item.

### **Part 1: Business Case**

<b>Subject:</b>	<b><i>Housing Services</i></b>
<b>Proposed by:</b>	Scrutiny Committee
<b>Length:</b>	Expected to take six months from start to finish.

#### **Objective**

- To understand the reasons why the provision of temporary accommodation in Swale has been consistently problematic and how this can be overcome;
- To explore the causes of pressures on housing services (lack of availability of affordable private rented sector housing, low numbers of affordable houses being built in the Borough, lack of available properties for tenants to 'down-size' to) and possible measures for alleviating them;
- To review what effect the purchase of a property to house homeless families has had and whether this initiative should be extended; and
- To make recommendations to Cabinet as necessary.

#### **Justification**

The number of households contacting Swale's Housing Service for help is increasing. The number of homeless applications has increased from 108 in 2011/12 to 271 in 2014/15. The number of households placed into temporary accommodation as at 31 March each year has increased from 65 in 2012 to 76 in 2015. The number of households placed into bed and breakfast has increased over the past three years resulting in net expenditure rising from £69,373 to £201,239 in 2014/15, although expenditure is now starting to show a downward trend following the signing of a new service level agreement with AmicusHorizon to provide additional properties for SBC

to use as temporary accommodation. The total number of affordable homes built varies from year to year as follows:

- 2010/11 – 155
- 2011/12 – 90
- 2012/13 – 116
- 2013/14 – 81
- 2014/15 – 156.

**Evidence and information to be gathered**

Information around the lack of suitable temporary accommodation in Swale and lack of alternatives to bed and breakfast. Information on the reasons why more affordable homes are not being built in what is a growth area. Why the costs of renting privately are so high and why some landlords are unwilling to let to benefit dependent households. The role of registered social landlords and the reasons for their unwillingness to let to welfare-dependent tenants.

**Sources of information and evidence**

<i>Individual or organisation</i>	<i>Committee session</i>	<i>Task and finish panel, site visit, correspondence, or other method</i>	<i>To be decided</i>
Cllr Ken Pugh, Cabinet Member for Housing and Wellbeing; Amber Christou, Head of Resident Services.	<b>X</b>	√	X
AmicusHorizon, Moat and Hyde Housing Associations	<b>X</b>	√	X
<b>Organisation(s) to be reviewed</b>	If partners' activities are to be reviewed, what powers or influence does the committee have?		
	SBC only.		
	Partner organisation only.		
<b>X</b>	SBC working in partnership.		
<b>Timing constraints</b>	No external constraints identified.		

**Part 2: Review Plan**

**Review team**

Lead review member:	Cllr Derek Conway
Other review members:	Cllrs Mike Dendor, Mick Galvin and Samuel Koffie-

	Williams	
O&S support officer:	Bob Pullen, Policy and Performance Officer	
SBC service liaison officer:	Amber Christou, Head of Resident Services	
<b>Key dates</b>		
Date to begin evidence gathering:	July 2016	
Date(s) of committee sessions (if any):	12 January 2017	
Date for draft report to be presented to committee:	5 July 2017	
<b>Note:</b> Dates of committee session(s) and for the report to be presented to committee must be added to the committee forward plan.		

## Appendix II

### Review participants

<b>Date of meeting/visit</b>	<b>Name</b>	<b>Organisation</b>
14 October 2015 (Scrutiny Committee meeting)	Councillor John Wright, previous Cabinet Member for Housing	Swale Borough Council
"	Amber Christou, Head of Resident Services	"
11 November 2015	Eileen Martin, Regional Director	AmicusHorizon Housing Association
"	Neill Tickle, Development Director	"
2 August 2016	Tony Morgan	Hyde Housing Association
4 August 2016	Amber Christou, Head of Resident Services	Swale Borough Council
"	Rebecca Walker, Strategic Housing and Health Manager	"
24 August 2016	Eileen Martin, Regional Director	AmicusHorizon Housing Association
31 August 2016	Steve Nunn	Moat Housing Association
7 December 2016	Councillor Marion Ring, Chairman of Communities, Housing and Environment Committee	Maidstone Borough Council
"	John Littlemore, Head of Housing and Communities	"
"	Ellie Kershaw, Housing and Inclusion Manager	"
14 December 2016	Councillor Lin Fairbrass, Cabinet Member for Community Services	Thanet District Council
"	Bob Porter, Head of Housing	"
"	Vicky May, Housing Options Manager	"
"	Ashley Stacey, Housing Strategy Manager	"
12 January 2017	Scrutiny Committee consideration of 'working draft' version of report	Swale Borough Council
14 March 2017	Councillor Ken Pugh, Cabinet Member for Housing and Wellbeing	Swale Borough Council
"	Amber Christou, Head of Resident Services	"

## Glossary

Affordable housing <sup>1</sup>	<p>Affordable housing is social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices.</p> <p>Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision.</p>
Houses in Multiple Occupation (HMOs)	<p>A home is defined as a HMO if both of the following apply:</p> <ul style="list-style-type: none"> <li>• at least 3 tenants live there, forming more than 1 household; and</li> <li>• a toilet, bathroom or kitchen facilities are shared with other tenants.</li> </ul>
Intermediate housing <sup>2</sup>	<p>Intermediate housing is homes for sale and rent provided at a cost above social rent, but below market levels subject to the criteria in the affordable housing definition above. These can include shared equity (shared ownership and equity loans), other low cost homes for sale and intermediate rent, but not affordable rented housing.</p>
Private sector housing	<p>Where the term ‘private sector’ is used in housing policy and housing statistics, it is generally meant “private housing” sector or non-social housing sector ie owner-occupied dwellings and those rented privately, including those that go with a job or business and not those owned by housing associations.</p>
Social housing	<p>Social rented housing is owned by local authorities and private registered providers (as defined in section 80 of the Housing and Regeneration Act 2008), for which guideline target rents are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Homes and Communities Agency.</p>

<sup>1</sup> DCLG – definitions of general housing terms - <https://www.gov.uk/guidance/definitions-of-general-housing-terms>

<sup>2</sup> DCLG – National Planning Policy Framework – Glossary: [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/6077/2116950.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/6077/2116950.pdf)

### **Homelessness Reduction Act 2017**

This Act was originally introduced as a Private Members Bill and was adopted by government for inclusion in its legislative programme.

The Homelessness Reduction Act 2017 is designed to ensure that all households who are either homeless or threatened with homelessness within 56 days receive genuine help and advice from their local council. This is regardless of whether they are in priority need.

Originally, the Act would have given councils a duty to secure accommodation for 56 days, but this was withdrawn as impractical in the English context. The current wording will impose a duty on councils to assist all homeless and potentially homeless households; the government has indicated it will provide additional resources to councils to cover their costs.

The Act received Royal Assent on 27 April 2017. Commencement of the provisions of the Bill will depend on the introduction of Regulations by the Department for Communities and Local Government which could be up to two years.

The Department for Communities and Local Government is preparing an impact assessment for the whole Act to understand the implications for local housing authorities, financial and other ways, which derive from the Act.

### **Housing White Paper**

The government's Housing White Paper – Fixing our broken housing market – was published on 7 February 2017.

It sets out the government's strategy for building more of the right homes in the right places. Specifically, it includes proposals to:

- help create certainty and to simplify the planning system, including standardising the process for assessing objectively assessed housing need (OAN);
- award new powers for councils to establish local development corporations;
- require 10 per cent of sites to be 0.5 hectare;
- increase planning fees by 20 per cent;
- apply fees to planning appeals;
- allow councils to compulsorily purchase undeveloped land with planning permission;
- require starts on site within two years of planning permission being granted;
- introduce measures to hold councils to account through a delivery test;

- review of Section 106 and the Community Infrastructure Levy;
- introduce a commitment to offer some support for councils to build through their Housing Revenue Accounts and other ventures;
- a suggestion that the Government wants to see an offer similar to Right to Buy in housing delivered through such ventures; and
- introduce new flexibilities on the affordable home ownership products and a lower requirement of 10 per cent starter homes.