

## BRIDGEND COUNTY BOROUGH COUNCIL

### REPORT TO THE COMMUNITY ENVIRONMENT AND LEISURE OVERVIEW AND SCRUTINY COMMITTEE

28 JULY 2015

#### REPORT OF THE CORPORATE DIRECTOR, COMMUNITIES

#### SOCIAL HOUSING ALLOCATION POLICY UPDATE REPORT - IMPLEMENTATION OF THE COMMON HOUSING REGISTER

##### 1. Purpose of Report.

- 1.1 The purpose of the report is to update the Committee on the factors that led to the implementation and development of the Social Housing Allocation Policy (SHAP) and the Common Housing Register (CHR); what it was intended to achieve and what has been the result;
- 1.2 The report will also advise Members of how the service and its Registered Social Landlord (RSLs) partners have reviewed the SHAP and how they intend to manage the increased demand for housing solutions services, in a period of budget cuts.

##### 2. Connection to Corporate Improvement Objectives/Other Corporate Priorities.

- 2.1 The Housing Solutions Service contributes towards the Corporate Plan Priority 'Working together to help vulnerable people stay independent'. The SHAP helps to deliver the Corporate Improvement Priorities of "working together to help vulnerable people to stay independent" and "working together to make the best use of resources", It also helps to manage demand for social housing.

##### 3. Background.

- 3.1 There is a statutory requirement for every housing authority to have a Housing allocation scheme for determining priorities, and a procedure to be followed in allocating housing accommodation. In Bridgend County Borough the Allocation Scheme is known as the SHAP and the procedure to be followed in allocating housing is known as the CHR.
- 3.2 Addressing homelessness is a key priority for the Authority because being homeless or threatened with homelessness severely affects a person's quality of life. The number of people presenting, and being accepted as homeless and being housed in bed & breakfast accommodation was relatively high in 2008/09 and 2009/10, mainly due to a lack of alternative forms of temporary accommodation being available. Also, Housing Benefit was not being fully utilised at this time. The development and use of more appropriate forms of temporary accommodation such as Cornerstone House and Ty Ogwr have greatly reduced the use of and the subsequent cost of bed & breakfast accommodation, and Housing Benefit applications are now completed as a matter of course. **Figure 1** illustrates the use and cost of B&B from 2008/09 to 2014/15.

<b>Figure 1</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>
Gross cost of B&B accommodation	£720,425	£710,175	£530,668	£365,013	£317,904	£297,087	£226,962
Net cost of B&B accommodation after housing benefit received	£573,809	£333,104	£367,807	£231,887	£190,062	£198,856	£193,690
Total number of households using B&B at any point in the year (These figures represent the total number for the year)	253	266	220	202	167	189	143
Average cost of B&B per person per year	£2,848	£2,670	£2,412	£1,807	£1,904	£1,572	£1,587
Average number of days spent in B&B	63	86	66	64	56	37	38
Number of households with dependent children placed in B&B	50	16	15	10	5	8	0

- 3.3 The average number of days an individual spends in B&B has reduced from 63 in 2008/09 to 38 in 2014/15; the average cost of B&B per person per year has reduced from £2,848 in 2008/09 to £1,587 in 2014/15; and the net cost of B&B accommodation to the Council after housing benefit has been received has reduced from £573,809 in 2008/09 to £193,690 in 2014/15. The 2013-14 Wales average for the average number of days an individual spends in B&B was 36 days. Bridgend is in line with the Wales average. The greatest average an individual spent in B&B was Conwy with 116.64 and the lowest was Torfaen with 8.63. There is no comparator data available in regards to cost per person.
- 3.4 An analysis of service users in B&B accommodation indicates that a very high proportion have support needs, in relation to drugs, alcohol and/or mental health. In 2014-15 13% of service users using B&B accommodation had a priority need because of vulnerability due to a mental illness / learning disability. 38% of service users had a priority need because of vulnerability due to being a former prisoner with no accommodation to go to. 29% of service users had indicated that they needed support / help to live independently. Gaining access to services and having a willingness to participate in harm reduction programs is a key determinant of whether a permanent housing solution can be found and sustained.
- 3.5 The numbers of homelessness presentations and the level of repeat presentations are key performance indicators for drug, alcohol and mental health services, as well as for housing services. In 2014-15 Bridgend had 3.5 homelessness presentations per 1000 population. In comparison, Swansea had the highest number with 13.2 per 1000 population and Flintshire had the lowest with 1.2. Bridgend is below the Wales average of 4.6. There is no comparator data available on repeat presentations.
- 3.6 Cabinet received a report in September 2010 highlighting the spike in homeless presentations and the increased cost to the Authority. A number of priorities to address the homelessness situation in the County Borough were identified, including improving the nomination process with Registered Social Landlords and reducing the number of failed nominations; and fully embracing the prevention

agenda by developing credible housing options, information on homelessness prevention, and training for front line staff.

3.7 In October 2011 Cabinet received a further report seeking approval to consult with service users, stakeholders and the citizens of Bridgend on a new Common Allocations Policy for all social housing in Bridgend County Borough; and to consult on the implementation of a CHR. The purpose of the CHR is to streamline access to social housing, improve the nomination process, and provide up to date information to housing applicants on the likely waiting times for social housing.

3.8 The Authority developed the CHR in partnership with local RSL's. There are currently 4 RSLs in Bridgend:

- Valleys to Coast (V2C)
- Linc Cymru
- Hafod
- Wales and West Housing Association

3.9 Prior to the introduction of the CHR all four RSLs operated a separate housing waiting list and had different methods for allocating vacant housing to applicants, for example V2C operated a points based system whilst Wales and West operated a date order system. The Council also kept a waiting list and operated its own points based allocations system making nominations to the four RSLs. Finally there was a separate scheme for allocating housing for people who require adapted homes, operated by Bridgend Accessible Homes based at V2C. There were therefore six different routes for applicants to access social housing in Bridgend and each operated in a different way.

3.10 Following approval by Cabinet, an extensive consultation exercise took place involving a series of customer focus groups. Meetings were held with applicants from the four RSL waiting lists and service users who were at the time housed in temporary accommodation, together with Partner and Stakeholder events to gather their views in order to inform the SHAP. A programme of engagement was designed which primarily consisted of:

- i. an advert was also placed in the Bulletin Newspaper that was distributed to all households in the borough, informing them of the consultation;
- ii. a letter with the following information; a feedback form; a summary of changes document, and an equalities monitoring form these were widely distributed to applicants on the housing registers of all partners. The feedback form consisted of 8 specific questions relating to the draft policy with opportunities for respondents to expand on their replies, and a final section where additional information could be given;
- iii. applicant drop in sessions, focus groups for tenants / applicants and a workshop with relevant stakeholders (external agencies) was also facilitated;
- iv. the programme of engagement was also available on the Council's Website, with an online version of the feedback form for people to submit their views;

The consultation period was for 12 weeks, starting on the 26th October 2011 and ending on the 18th January 2012. There was a 20% response rate. The feedback was positive and the general response was that the draft policy is fair and balanced, prioritising applicants appropriately, making good use of available stock, and explains banding, allocation and exclusion clearly. The responses showed support for the content, clarity and aims of the draft policy. The key theme in the comments was that the closer working relationship between the partners was a positive development, and that the changes outlined in the draft policy would be welcomed.

- 3.11 At the same time as service user, partner and stakeholder consultation was taking place a Workwise review was being carried out on Homelessness and Housing Options Service. The review identified that there was waste in the existing process of maintaining a housing register of applicants who had no identified housing need, when officer time could be better utilised providing more help to those who need it most in the form of homelessness prevention.
- 3.12 Prior to the introduction of the SHAP housing applicants could request to be registered on the Council's Register without any prior qualifying interview or discussion. This resulted in a disproportionate number of applicants being accepted on to the Council's Register without any identified housing need. At 31st March 2013, there were 4,614 applicants on the Council's waiting list, of those 3,184 (69%) had no identified housing need based on the information provided by the applicant at the time of registration. Applicants remained on the Register for an indeterminate time and received additional points for time spent on the list but not because they were in housing need.
- 3.13 The SHAP was developed with the customer in mind and Cabinet approved the SHAP in May 2013. The main principles are set out below:
- all social rented housing is allocated under a single set of rules;
  - a simplified SHAP based on bands of housing need, rather than a very complex points system, with allocations going to those in the highest band and, therefore, in the highest need; and then in date order within that band;
  - a single housing waiting list, known as the CHR, to deliver the SHAP administered by the Council, whereby citizens can make a Housing Enquiry and access advice by the Council and also by the partner RSLs;
  - applicants only accepted on to the CHR following Housing Solutions Interview by the Council; and
  - integrating the allocation of adapted homes into the SHAP and the CHR, ensuring the needs of disabled customers, e.g. access to the services of Occupational Therapists, are maintained.

#### **4.0 Current Situation/Proposal**

- 4.1 The Council and the RSLs established a steering group known as the Allocations Panel, which meet once a month with membership consisting of the Team Leader

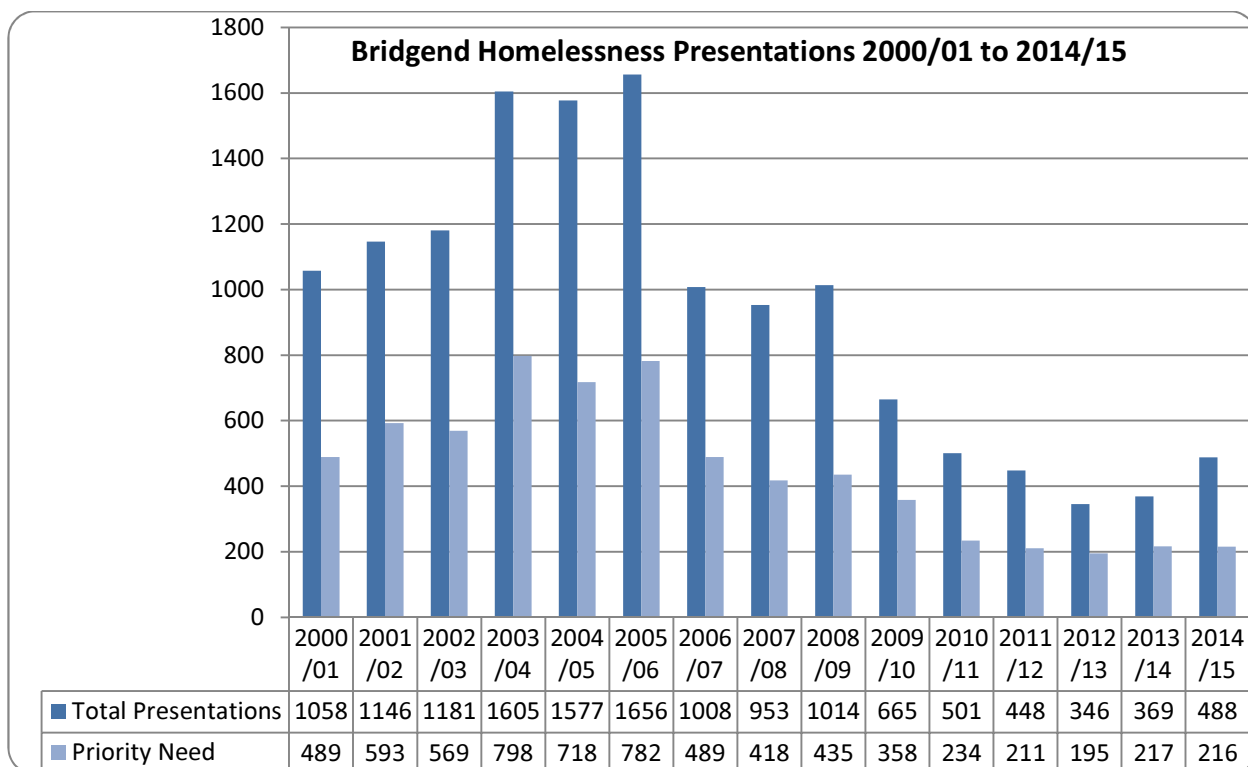
Housing Solutions, Senior Rehousing Officer, and Housing Managers from the four RSLs. The purpose of the group is to oversee the implementation of the SHAP and CHR and they have recently re-evaluated the effectiveness of the SHAP, and have considered the following:

- the effect of the increased demand for both permanent and temporary housing and, in particular, the costs associated with bed and breakfast accommodation;
- the predicted tightening of capital resources in future years, which will restrict the development of further affordable housing;
- the efficiency and fairness in the allocation of existing stock;
- the unacceptably long waiting time for those placed in temporary accommodation awaiting nomination to secure tenancies;
- the need for emergency support to address priority cases; and
- the impact of the Housing (Wales) Act 2014, Welfare Reform and Universal Credit and the anticipated increase in homelessness presentations.

The actions and outcomes following the Panel's consideration of the above are set out in 4.16.

- 4.2 Over the past five years homelessness presentations have fallen in the County Borough, as can be seen in **Figure 2**. In 2008/09 there were 1014 presentations which fell to 346 in 2012/13. During this time there has been an increasing focus on the prevention of homelessness. However, in 2013/14 there was a turn in the downward trend with a 6% increase to 369 presentations. This trend is continuing as can be seen in the 2014/15 figure of 488. Work has been done to look at the types and causes of presentations, to see if a pattern is emerging, but this has proved inconclusive, and the Authority cannot yet attribute this to any specific cause. The sustained economic downturn may be a contributing factor.
- 4.3 The Authority will be monitoring the situation carefully, not least because of the financial consequences and impact on customers. The situation will be monitored by producing a monthly / quarterly management information report looking at housing assessment / homelessness presentations, the reasons for the presentations and the outcomes for the applicants i.e. homelessness prevented / homelessness relieved. The report will be presented to the Group Manager Housing & Community Regeneration and Team Leader Housing Solutions.

**Figure 2**



- 4.4 The number of households being evicted by the four main Housing Associations in the county borough has been relatively low. Only 5 households have been evicted in 2014/15 up to February 2015. This is much lower than in previous years, where 21 households were evicted in 2013/14 and 14 households were evicted in 2012/13. However, the number of households in arrears has been increasing, with 2390 in arrears in 2012/13, 2697 in 2013/14 and 2636 up to Feb 2015. This suggests that welfare reform is beginning to have an impact on households' capacity to pay their rent, but the actions taken by RSL's and the Council, to mitigate the impact of the changes, appear to have been working successfully to date.
- 4.5 Members will recall that both the Council, through Communities First, and RSL's have increased financial advice services available to the Borough's residents. Communities First commissioned the Citizens Advice Bureau to engage with individuals of all ages who have difficulty understanding or managing their money and/or accessing benefits, financial products and services, in 2014-15, 224 people were engaged with across the three Communities First clusters. This well exceeded their target of engaging with 120 people. **Figure 3** demonstrates the outcomes achieved for those 224 individuals.

**Figure 3**

<b>Financial Inclusion Outcomes 2014/15</b>	<b>No. People Achieved</b>	<b>% People Achieved</b>
PC-PM.4.1 Improved financial literacy/capability	153	68.3%
PC-PM.4.2 Developed a weekly budget	100	44.6%
PC-PM.4.3 More confident managing finances	147	65.6%
PC-PM.4.5 Reducing/Managing debt	115	51.3%
PC-PM.4.6 Supported to access the benefits they are entitled to	210	93.8%

4.6 The lack of suitable allocations to void properties is a growing concern for both the Council and the RSLs, which can be partly attributed to the size and type of available housing in a particular area. Prior to the introduction of the CHR, 4,518 citizens were registered on one of the five separate housing registers. There has been a considerable reduction in the number of applicants on the register as can be seen in **Figure 4**. This is mainly as a result of removing those applicants with no housing need, and also carrying out a re-registration of applicants to ensure they have been correctly assessed. As demand for Social Housing outstrips existing and likely future provision, the SHAP enables the Council and partners to prioritise those in housing need. The average time waiting for all applicants in housing need (Priority, Band A and Band B) has reduced from 2.22 years pre CHR to 1.53 years, following introduction of the CHR.

**Figure 4**

<b>Housing need priority given</b>	<b>Total number of applicants at 03-07-15</b>
Priority Band	100
Band A	322
Band B	762
Residual Group	131
<b>Total</b>	<b>1315</b>

4.7 Applicants are placed in a Band depending on their assessed housing need. Those in the Priority Band have been assessed as having an exceptional need of housing. This is the highest priority that can be given; those in Band A have been assessed as having an urgent housing need; those in Band B have been assessed as having a non-urgent housing need and; those in the Residual Group have been assessed as not being in housing need. However, this group of applicants were historical applicants and had previously been given some priority for the time they had been waiting. They were therefore given the choice to remain on the register under the Residual Group if they wished. Those in the Residual Group may be nominated for a property when there are no suitable applicants in one of the other bands.

4.8 It can be seen in **Figure 5** that 80% of social housing allocations in 2014/15 were allocated to households requiring a one or two bedroom property.

**Figure 5**

<b>Number of bedrooms</b>	<b>Number of social housing allocations April 2014 – March 2015</b>	<b>% of social housing allocations</b>
Studio	7	2.2%
1	100	30.8%
2	152	46.8%
3	65	20.0%
4	1	0.3%
<b>Total</b>	<b>325</b>	

- 4.9 **Figure 6** shows the total number of applicants on the CHR by number of bedrooms, and the average number of vacancies that become available for bedroom sizes per annum. It can be seen that the percentage of applicants requiring a one bedroom property has increased, while the percentage requiring a three bedroom property has decreased. There has been an increase in the failed nomination rate for larger properties due to the demand for smaller properties which was expected with the introduction of the 'bedroom tax'.

**Figure 6**

<b>Number of bedrooms</b>	<b>Number of applicants on CHR at 03-07-15</b>	<b>% of all applicants</b>	<b>Average number of vacancies per annum</b>	<b>% of all vacancies per annum</b>	<b>Success rate of allocations %</b>
1	870	66.2%	203	31.9%	62.5%
2	229	17.4%	296	46.4%	57.7%
3	123	9.4%	136	21.3%	49.8%
4	85	6.5%	3	0.5%	66.7%
5	4	0.3%	0	0%	0%
6	4	0.3%	0	0%	0%
<b>Total</b>	<b>1315</b>		<b>637</b>		<b>57.6%</b> 367 properties

The 57.6% calculation is based on the number of properties successfully allocated per annum (367) as a percentage of the number of vacancies per annum (637).

- 4.10 Where there is no suitable applicant identified from the CHR for a vacancy the RSLs advertise and subsequently allocate the vacancy in a number of different ways. The Council and the RSL partners have acknowledged that this approach is inconsistent and is not the best use of resource or stock and have given an undertaking to review the Bands within the CHR. **Figure 7** shows the number of properties in 2014/15 that were let by the RSL where there was no suitable applicant on the CHR.



**Figure 7**

Number of bedrooms	Number of social housing allocations available 2014/15	Number of unsuccessful social housing allocations 2014/15
Studio	13	5 (38.5%)
1	196	67 (34.2%)
2	303	122 (40.3%)
3	120	47 (39.2%)
4	5	2 (40.0%)
<b>Total</b>	<b>637</b>	<b>243 (38.1%)</b>

- 4.11 Increasing the supply of affordable housing can significantly help reduce homelessness. During 2013-14 there were 121 affordable homes delivered in Bridgend County Borough. 91 of the 121 units were delivered via Capital Grant Funding i.e. Social Housing Grant, and 26 of the 121 units were delivered via a Section 106 Agreement. This is a significant increase from the previous year where only 30 affordable homes were delivered. Due to development cycles, there is generally a great deal of fluctuation from year to year and the Authority will need to look at data over a longer period to determine trends. There has been a further improvement in 2014-15 with 129 affordable homes being delivered.
- 4.12 The development of social rented housing in Wales has traditionally been supported by public subsidy in the form of Social Housing Grant (SHG), although the reducing availability of SHG has meant that alternative funding models for affordable housing are increasingly being utilised. **Figure 8** shows the main programme spend for Bridgend over the past several years. During the years 2010 onwards the base allocation was £1.7m and from 2013 it has been £1.5m. The fact that the Authority has spent more is an indication of success in gaining additional funding from slippage made available at the year end. Examples of alternative funding include; the Welsh Housing Partnership (WHP) which is financed through a combination of Welsh Government grant funding, private finance and equity finance from the investors in WHP; the Smaller Properties Programme financed by Welsh Government grant funding specifically for 1 and 2 bedroom properties, aimed at alleviating the impact of the under occupancy welfare reform; Section 106 funding and; the Housing Finance Grant which is a form of loan to RSLs to develop new accommodation.

**Figure 8**

Year	Main Programme Spend (£m)
2007-08	£4.1
2008-09	£3.7
2009-10	£4.4
2010-11	£2.9
2011-12	£2.3
2012-13	£3.4
2013-14	£2.6
2014-15	£1.5 (plus additional £400k from national slippage)

- 4.13 Future cost pressures on the service arising from the Housing (Wales) Act 2014 have been identified as being a corporate risk and managed accordingly within the Communities Directorate. The Authority will now have a duty to assist almost every applicant that presents as homeless, which will increase the pressures on the service. The requirement to undertake reasonable steps to prevent and relieve homelessness will be a further pressure, with an increased focus on case management requiring increased levels of work. In order to meet the demands of the new legislation, it is determined that three additional full time Housing Solutions Advisors will be needed, together and an additional support officer.
- 4.14 An application has been approved by Welsh Government (WG) for transitional funding to resource the new and additional services that will be needed from 1<sup>st</sup> April 2015. This funding is very welcome, since without it, the full costs of implementing the requirements of the legislation would have fallen entirely upon the Council. Members should note that while indications have been given that funding may be available for 3 years, the confirmed funding commitment is for only one year. If and when this funding ceases, the ongoing resource requirements of the legislation will need to be assessed, and funding for the service adjusted accordingly.
- 4.15 The Supporting People Grant Programme also plays a significant role in preventing homelessness and the Authority has commissioned a holistic service to provide support, refuge and move on for individuals and families fleeing domestic abuse and violence; and is in the process of commissioning generic floating support services to support the homelessness prevention agenda. The holistic service commissioned will be delivered from the Domestic Abuse One Stop Shop (DAOSS) which in August 2015 will be located in Civic Offices and will include support workers from the commissioned service, the Domestic Abuse Co-ordinator, Victim Support, and the Police. The Housing Solutions team and service users will have direct access to the DAOSS which will be the referral route for all accommodation and floating support services. It is intended that an element of the generic floating services will also be based in Civic Offices working alongside the Housing Solutions team. All Supporting People grant services are monitored through Welsh Government Outcomes Monitoring Framework.
- 4.16 The Council and the four RSLs in Bridgend who are party to the SHAP and the CHR meet on a monthly basis through the Allocations Panel and quarterly through the Bridgend Housing Partnership (BHP). The effectiveness of the SHAP has recently been re-evaluated and Cabinet have agreed to bring in additional procedures to allow the Authority to apply 'the unacceptable behaviour standard' if a person is deemed unsuitable to be a tenant and thereby reduce the preference that is given to their housing application. Since implementation in February 2015, there have been 8 households who have had their preference reduced because of unacceptable behaviour. This is only 0.6% of the total number of households registered on the Common Housing Register.

The relevant grounds used to determine whether an applicant has a reduced preference includes:

- Rent lawfully due has not been paid or an obligation of the tenancy has been broken or not performed

- The tenant or a person residing in or visiting the dwelling has been guilty of conduct causing or likely to cause a nuisance or annoyance
- One partner has left because of violence or threats of violence by the other towards that partner or member of the family
- Condition of the dwelling has deteriorated due to acts of waste, neglect or default by the tenant or by anyone living with him or her
- The condition of furniture provided by the landlord has deteriorated owing to ill treatment by the tenant or by anyone living with him or her
- The landlord was induced to grant the tenancy to the tenant as a result of a false statement made knowingly or recklessly by the tenant
- The tenancy was exchanged by an assignment under Section 92 and the tenant paid or received a premium in return for the exchange
- A tied tenant of a property which forms part of or is within the curtilage of a building held for non-housing purposes who is guilty of conduct that make it inappropriate for him or her to remain in occupation
- A tenant, or an adult residing at the property, is convicted of an indictable offence which took place during, and at the scene of, a riot in the UK

4.17 BHP have also agreed to consider adding a further Band to the CHR of low income households who fall just outside housing need. The Allocations Panel have been asked to develop the criteria around this Band and report back to BHP on the effectiveness of adding a further Band and the likely cost to the RSL partners.

## **5. Effects on the Policy Framework and Procedure Rules**

5.1 These proposals are consistent with current Policy Framework and Procedure Rules.

## **6. Equalities Impact Assessment**

6.1 There are no equality implications arising from this report.

## **7. Financial Implications**

7.1 There is a risk that demand for temporary accommodation will increase once the full impact of the Housing (Wales) Act 2014 is felt, which may result in a budget pressure. Additional transitional funding has been identified by WG for the first three years of the new legislation to support the cost of implementation. As WG budgets for future years have not yet been confirmed, the current funding level of £222,476 is limited to the 2015-16 financial year, with no indication of funding levels beyond this year. If and when this funding ceases, the ongoing resource requirements of the legislation will need to be assessed, and the service adjusted accordingly. As a result of efficiency savings achieved over a number of years the service is now very lean, and there is very little scope to meet additional statutory requirements, or for further cost reductions, without risking an escalation in B&B costs, and returning to the situation in 2008.

## **8. Recommendations**

8.1 It is recommended that the Committee note the content of this report.

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**Corporate Director Communities**

16<sup>th</sup> July 2015

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**Background documents:**

None.