

REPORT FOR: **CABINET**

Date of Meeting:	13 December 2012
Subject:	Housing Changes Review: Approval of Tenancy Strategy and Tenancy Policy, Consultation Drafts of Housing Strategy, Homelessness Strategy, Private Sector Housing Strategy and Allocation Scheme, and update on the draft Housing Business Plan and Asset Management Strategy
Key Decision:	Yes
Responsible Officer:	Paul Najsarek, Corporate Director of Community, Health and Wellbeing
Portfolio Holder:	Councillor Bob Currie, Portfolio Holder for Housing
Exempt:	No
Decision subject to Call-in:	Yes
Enclosures:	Appendix 1: Tenancy Strategy 2012 Appendix 2: Tenancy Policy 2012 Appendix 3: Tenancy Strategy and Policy consultation responses and summary of amendments made Appendix 4: Consultation draft Housing Strategy 2013-2018 Appendix 5: Consultation draft Homelessness Strategy 2013-2018 Appendix 6: Consultation draft Private Sector Housing Strategy 2013-2018 Appendix 7: Consultation draft Housing Allocations Scheme Appendix 8: Update on the draft Housing Business Plan and Asset Management Strategy Appendix 9: Recommendation from TLRCF meeting held on 4 December 2012 (to be

circulated)

The appendices have been circulated to Cabinet Members, the Leader and Deputy Leader of the Conservative Group, Chair and Vice-Chairman of O&S Committee and key officer(s) only. A hard copy has been placed in the Members' Library and Group Offices. The document has been published with the agenda and can be viewed on the website.]

Section 1 – Summary and Recommendations

This report recommends approval of key strategies and policies included within the Housing Changes Review either for adoption or for formal consultation.

Recommendations:

Cabinet is requested to:

1. Note the consultation responses and subsequent amendments to the Tenancy Strategy 2012;
2. Approve the final Tenancy Strategy 2012 attached at Appendix 1;
3. Note the consultation responses to the Tenancy Policy 2012;
4. Approve the final Tenancy Policy 2012, attached at Appendix 2, which will introduce 12 month probationary tenancies followed by fixed term 5 year flexible tenancies for all new Council tenants from the 1 April 2013;
5. Approve the consultation drafts of the Housing Strategy (Appendix 4), Homelessness Strategy (Appendix 5) and Private Sector Housing Strategy (Appendix 6);
6. Approve the consultation draft of the proposed amended Housing Allocation Scheme and transitional arrangements attached at Appendix 7;
7. Agree that Harrow's current Transfer and Lettings Scheme should be amended now to place all homeless households placed in temporary accommodation in band C, regardless of whether they are in emergency B&B or hostel accommodation, or in longer term temporary accommodation.
8. Note progress and key issues on the draft Housing Business Plan and Asset Management Strategy which will be finalised and presented to Cabinet in March 2013.
9. To approve expenditure of up to £1.5M from the Affordable Housing Fund towards the development of intermediate housing on Council development sites in Harrow.

10. Consider the recommendation of the Tenants', Leaseholders' and Residents Consultative Forum at its special meeting on the 4 December 2012.

Reason: (For recommendation)

To enable the completion of key housing policy and strategy documents and to clearly set out the Council's strategic Housing vision in responding to the freedoms and flexibilities introduced by the Localism Act 2011.

Section 2 – Report

Introduction

1. Cabinet received a report on the 15 December 2011 which set out a direction of travel in relation to a wide range of policy changes introduced by the Government. A progress update was provided to Cabinet on the 19 July 2012. In summary the policy changes are:
 - The Localism Act 2011 introduced flexibilities to make best use of existing social housing opportunities by introducing fixed term tenancy options for new tenants, enabling the homelessness duty to be ended through the offer of a suitable private rented home and by allowing broader allocation criteria. In addition funding for new social housing has been changed by reducing up front capital grant subsidy which has been replaced by revenue subsidy generated through increased rents of up to 80% market rents.
 - Housing Revenue Account (HRA) self financing started on the 1 April 2012. Although Harrow has had to take on additional borrowing we are some £2m per annum better off as we no longer have to make payments back to the government.
 - The Welfare Reform Act is now in place confirming the introduction of Universal Credit on a phased basis from October 2013. In advance of Universal Credit, a cap of £500 per week total benefits (£350 per week for single households) will be introduced from April 2013. In addition the Act also introduces benefit reductions for working age households who live in social housing that is larger than they need and proposes to end the direct payment of Housing Benefit to social landlords. Together with changes to the way that housing benefit is assessed for households living in the private rented sector and which have capped the amount of benefit particularly for four bedroom or larger properties, the future particularly for large non working families is bleak. Added to this, the change in Council tax benefit which will require the majority of current claimants to pay a proportion of their Council tax from their household income, will further squeeze the incomes of the poorest

households in Harrow many of whom will be living in social housing and the lower quartile private rented sector.

- Amendments have been made to the Right to Buy (RTB) discounts from 1 April 2012. Qualifying tenants are now able to claim a discount of up to £75k (rather than £16k). The number of RTB applications has already increased (17 so far in 12/13 compared to none in 11/12) Even with the ability to reinvest sales receipts the Council would still need to find significant additional resources to fund replacement homes as required by government.
 - Guidance has been issued on the minimum standards and location of private rented housing that can be offered to applicants to end the homelessness duty.
2. The council has a statutory requirement to produce a housing strategy which must also be in conformity with the Mayor's London Housing Strategy. A draft London Housing Strategy was published for formal consultation in December 2011. In September 2012 the Mayor also issued the first of three papers setting out the Mayors Housing Covenant. This aims to reward Londoners who contribute or have already contributed to London's economy and community. The first paper invites bids for up to £100m to stimulate the supply of intermediate housing in London for which the bid deadline was the 30 November 2012. Jointly with the Department of Health the second paper issued in October 2012 invites bids for up to £60m for specialised housing for London's older people and disabled adults for which the first deadline is the 18 January 2013.
3. Following Cabinet approval in December 2011, all of Harrow's current housing strategies and policies have been reviewed to take account of the Localism Act 2011 opportunities and to ensure that the Council has consistent and workable policies which operate together to increase the housing options available to the residents of Harrow, ensure that the most vulnerable continue to have priority and access to locally affordable housing and that they support the continued sustainability of local communities in Harrow. The strategies and policies included within the Housing Changes Review are:
- **Housing Strategy** which sets out the overarching strategic housing vision and housing objectives for the next 5 years taking account of social housing and welfare reforms.
 - **Tenancy Strategy** sets out guidance to all social landlords in Harrow on how the Council wants the new fixed term tenancies and new Affordable Rent model to be introduced and used locally.
 - The **Tenancy Policy** sets out how the Council will introduce and use fixed term tenancies for its own housing stock including a review and Complaints process.
 - **The Housing Allocations Scheme** has been revised to ensure it meets local priority needs and makes best use of limited social housing opportunities.
 - The Council already uses private rented sector options in its successful prevention approach to homelessness. However this combined with welfare reform means we are looking at options for housing families in

other boroughs and areas of the country. The **Homelessness Strategy** has been updated to reflect this.

- A **Private Sector Housing Strategy** to strengthen our plans for ensuring there is a good quality private rented housing sector locally.
 - **Housing Business Plan** to set out the overarching vision and objectives for Housing including a new 30 year business plan which also takes account of the social housing and welfare reforms.
 - **Asset Management Strategy** will identify and map stock condition, investment needs, take account of wider sustainability agenda and look at how best we strategically use all of our housing assets.
4. This report recommends approval of the Tenancy Strategy and Tenancy Policy 2012 following formal consultation and approval of the consultation drafts of the Housing Strategy, Homelessness Strategy, Private Sector Housing Strategy and Housing Allocation Scheme.
 5. Members should note that there has been extensive informal consultation on the main issues and principles of change which commenced in summer 2011. The consultation outcome has informed the development of the draft strategies and is available through the background papers (Housing Changes Cabinet report and associated appendices 15 December 2011). Formal consultation will be carried out from the 2 January 2013 for eight weeks and final documents will then be presented for formal approval in March 2013.
 6. The strategies and policies above cannot be seen in isolation. For example, the availability of affordable housing and other private rented sector housing options, who is a priority for social housing and its affordability impacts on the Council's ability to provide cost effective services for looked after children and vulnerable adults. This is reflected in particular in the draft Housing Strategy, Homelessness Strategy, Private Sector Housing Strategy and Housing Allocation Scheme.
 7. Delivery of additional housing, including affordable housing is dependent on delivery of viable planning permissions placed within the context of housing growth set out in the Local Development Framework (LDF) Core Strategy. The LDF and related planning process places responsibility upon the Council to manage housing delivery in line with minimum housing targets set out in the London Plan. New development has an important role to play in securing contributions for affordable housing and in providing a mix of tenures and property types in line with the borough's housing need. This is reflected in the draft Housing Strategy and Private Sector Housing Strategy.

Options considered

8. The Localism Act 2011 enables local decisions to be made about how best to use existing social housing and enable the provision of additional social housing to meet local housing need. Through a consultation process that started in summer 2011, the Council has considered a range of options to meet its specific housing needs which have led to the detailed documents appended to this report.

Draft Housing Strategy 2012-2017 (Appendix 4)

9. The draft Housing Strategy is attached at Appendix 4. Cabinet approved the overarching objectives on the 15 December 2011. It sets out the overall strategic housing vision for Harrow. A key aim of the strategy is to increase the supply of affordable housing in the borough. Demand for this housing continues to increase as evidenced by the huge increase in the use of Bed and Breakfast accommodation over 2011/12.
10. Innovative options for increasing supply are being explored, including how best use is made of existing housing assets such as garage sites and the additional resources flowing from HRA reform, and whether there is appetite for institutional investment in new vehicles for developing new private rented housing. A bid has already been submitted to the GLA to help fund the development of new family homes on Council estates for sale to existing Council tenants on a shared ownership basis. The Council tenancies can then be relet to families in priority need on the Housing Register. In order to progress this scheme, it is proposed to use contributions from the Council's Affordable Housing Fund to partially fund the development costs. In addition we will be looking at options to free up / release council homes including: offering cash incentives to council tenants to buy properties elsewhere and buying back homes previously sold under the Right to Buy.
11. However, the housing strategy recognises that the social housing sector in Harrow will never be big enough to meet all the current and future demand for affordable housing. The private rented sector will continue to provide the most realistic housing option for households who cannot afford home ownership. Details on how we plan to support and enable a good quality private housing sector in Harrow are then set out in the draft Private Sector Housing Strategy.
12. As a result of welfare reform, for some households the most realistic long term housing option may mean considering a move out of Harrow and London to more affordable private rented housing. The detail on how we will support households to determine the housing solution that best meets their specific needs is set out in the draft Homelessness Strategy.
13. Making sure that we make the best use of existing social housing for those households who are most in need is a critical element of the overall housing strategy. The detail of how we plan to introduce flexible fixed term tenancies is set out in the Tenancy Strategy and Tenancy Policy. The draft Housing Allocations Scheme sets out the detail of a different approach to deciding who is prioritised for and given social housing in Harrow.
14. The Housing Strategy also sets out how we will continue to offer housing and support to vulnerable households, including Care Leavers. This may be through development of new specialist affordable housing schemes, ensuring that existing schemes continue to meet current and future needs and continuing to prioritise allocation of social housing to meet the needs of vulnerable adults, including Care Leavers.

Tenancy Strategy 2012 and Tenancy Policy 2012 (Appendix 1 and 2)

15. The final Tenancy Strategy is attached at Appendix 1 and sets out the Council's intention to support the introduction of fixed term tenancies for new tenants. All new tenants will be given fixed term tenancies but there will be automatic renewal for vulnerable groups such as the elderly, those with disabilities and Care leavers. There will be a review process for all other tenants at the end of the fixed term and in the majority of cases tenancies are likely to be renewed because circumstances are unlikely to change. However tenancies would not be renewed where the property is larger than the household housing need and/or where the household could afford to find alternative suitable housing elsewhere.
16. It also includes guidance on the suggested Affordable Rent levels in Harrow.
17. Formal consultation on the draft strategy was carried out between 9 May and 5 July 2012, amendments were made and further consultation was carried out ending on the 26 November 2012. A summary of the consultation responses and subsequent amendments is attached at Appendix 3. The main changes made as a result of the consultation are:
- Care Leavers have been added to the specified groups to be given automatic renewal of a fixed term tenancy if their circumstances do not change.
 - All non specified groups will be given a fixed term 5 year tenancy subject to review at the end of the fixed term.
 - Full time carers, who are not family members, will be treated similarly with regard to discretionary succession.
 - Community contribution will be taken into account in the tenancy review process although this would not override the need for people to move who are living in properties that are too big for their current needs.
 - The option to renew tenancies for households that can afford to move and increase the rent to Affordable Rent levels was rejected.
 - The need to consider advocacy as well as advice and support to vulnerable households where there is any review process has been included.
 - Disability benefits are excluded from the calculation of gross income.
 - The proposed Affordable Rent levels are clearly stated as guidance only, rather than targets.
18. The proposed income and savings limits at which a household would be deemed to be able to find suitable affordable housing have been amended following the formal consultation. The income limits have reduced slightly and are proposed as the gross income, excluding disability benefits, required to pay the median market rent for a property in Harrow assuming that housing costs should not exceed 30% of gross income. These are:

Household Size	Income Limit
1 bed	£30,000
2 bed	£38,000
3 bed	£48,000
4 bed	£60,000

The proposed savings limit has been increased to £24,000. These income limits are set out in the Allocation Policy and households earning above these limits would not be accepted as eligible for social housing in Harrow. This income would also be sufficient to enable purchase of shared ownership affordable housing (as an alternative to renting in the private rented sector).

19. The Tenancy Policy is attached at Appendix 2. It follows the guidelines in the Tenancy Strategy and once adopted will mean that all new Council tenants, apart from specified groups, will be given 5 year fixed term tenancies. At the end of the fixed term there will be a review process considering current housing need and ability to afford other accommodation for all households apart from those in the specified groups, to decide whether the tenancy should be renewed.
20. The policy also proposes to introduce Introductory and Probationary tenancies for Council tenancies to be followed by a fixed term tenancy.
21. The policy sets out the review and complaints process an applicant or tenant can use if they want to seek a review of any decision relating to the granting or renewal of a fixed term flexible tenancy.
22. The Tenancy Policy was consulted on at the Tenants', Leaseholders' and Residents Consultative Committee on the 26th September and available on the Council's web site between 28th September and 26th November 2012. A summary of the consultation responses is included in Appendix 3.

Homelessness Strategy 2012 - 2017(Appendix 5)

23. Homelessness in Harrow is on the increase, as a result of the economic situation and Housing Benefit changes for those living in the private rented sector. This is predicted to get worse with the introduction of the overall benefits cap from April 2013. Since January 2011 the numbers of families the Council has to provide emergency accommodation for has increased significantly from a handful to 63 families at the end of September 2012. This is predicted to increase to 100 by the end of March 2013 due to the impacts of housing benefit changes last year which the council was able to delay for 18 months but are now starting to impact. Given the small social housing stock in Harrow, the vast majority of people are helped to find suitable accommodation in the private rented sector. Unfortunately the supply of such housing in Harrow is limited and unaffordable especially to larger families.
24. The draft Homelessness Strategy attached at Appendix 5 sets out how we propose to make use of the flexibilities introduced in the Localism Act to formalise the option of private rented housing as a solution to homelessness rather than a presumption of an offer of social housing which has resulted in families waiting very many years, often feeling unsettled, before a social housing solution is given. This will also allow us to prioritise social housing to those with the greatest need rather than those who simply experienced a brief period of homelessness.
25. We have considered the impact of the welfare benefit reforms on households who the Council has assisted to find private rented housing in

Harrow in the last three years. Initial modelling suggests that a significant proportion would not be able to afford housing in Harrow.

26. Given the constraints on the availability of affordable private rented housing locally we have consulted on how we might help homeless applicants to move to other areas either in London or further away to find an economically realistic housing solution and what factors should be taken into consideration in deciding what is suitable accommodation. Taking into account the recent guidance issued by the government with regard to suitability and location and the outcome of informal consultation our proposals are set out in the draft strategy.
27. The strategy also sets out how we intend to assist non statutory single homeless and rough sleepers.

Private Sector Housing Strategy 2012 – 2017 (Appendix 6)

28. 90% of the housing in Harrow is in the private sector and we increasingly use the private rented sector to meet housing need especially at the lower end of the market. In view of the Council's limited resources the draft Private Sector Housing Strategy attached at Appendix 6 focuses on what the Council can do to encourage and facilitate the continued provision of a good quality private rented housing sector working in partnership with other boroughs, landlords, developers and private tenants whilst using available enforcement resources to tackle the worst conditions.
29. The draft strategy and action plan takes account of all the recommendations contained in the Scrutiny Review report on "Private rented sector housing in Harrow".

Housing Allocations Scheme (Appendix 7)

30. Most Council's are reviewing their housing allocations schemes in the light of the Localism Act 2011, because it gives an opportunity to ensure that public rented housing goes to those with the most need, as defined by local, rather than rather abstract and arbitrary national standards.
31. There is a statutory requirement for the council to have an Allocation scheme and a review of the current scheme has been underway since 2010. Informal consultations were carried out during 2010, seeking the views of voluntary groups and advocacy organisations representing different groups of people who aspire to move to public rented housing, health, social services and housing organisations, tenants' organisations, councillors, and individuals who had applied for housing. Further questions were asked as part of the major "Housing Changes" consultation in the summer of 2011. The major items of change proposed in the new policy achieved broad support, resulting in Cabinet agreement last December to produce a new allocations scheme incorporating these headings for Cabinet in December 2012 to approve for formal consultation.
32. The main aims and desired outcomes of changing the scheme are:

A. That the relatively few citizens who are in the most housing need wait a much shorter time than they do at the moment for an allocation of public rented housing.

B. That allocations to public rented housing are fairer than before and, in particular, that homeless applicants in suitable accommodation are not treated more favourably than other applicants who have a high level of housing need.

C. That low-paid working people (with young children) who are experiencing financial hardship have access to public rented housing.

D. That those who have lower levels of housing need are able to access alternative housing solutions to empower them to improve their quality of life.

33. The significant changes to current policy comprise:

1. Applicants who need only one additional bedroom will no longer receive priority on grounds of overcrowding. Overcrowding will be measured by the national “bedroom standard” rather than by the current Locata standard.

NB: However, children/relatives aged 21 or over will be disregarded unless they are part of the household in order to give or receive care.

2. Applicants whose medical need to move is comparatively variable, slight or moderate will no longer receive priority on medical grounds.

3. Homeless applicants in emergency non-self-contained accommodation will no longer receive a higher priority than other accepted homeless applicants when the full homelessness duty is accepted.

NB: This change is proposed to be made to the existing policy now for the reasons set out in paragraphs 38 – 40 below.

4. Applicants with no priority according to the new allocations scheme, including those with no statutory entitlement to priority who have financial assets or property or income above certain published thresholds, will no longer be able to bid on Locata for public rented housing, but will be able to access personalised online advice and options through Locata.

5. Applicants from outside the borough will, with a few exceptions, be excluded from registering (e.g. exception where the council has itself accommodated them outside the borough). In addition, following discussions with Members, a minimum Harrow residency requirement of 5 years is proposed.

34. People who will gain from the new scheme: As a result of the anticipated reduction in the numbers of people with high priority for a move some groups of applicants will have improved priority and should experience a shorter waiting time for an offer of housing, including:

- Applicants who are overcrowded by 2 or more bedrooms
- Applicants with a severe medical or welfare need to move

- Accepted homeless applicants who are working or volunteering in the community
 - Working applicants (with primary school age children) and community volunteers who are experiencing financial hardship, regardless of overcrowding or medical need.
 - Serving and ex-members of the armed forces with urgent housing needs.
35. There will be little change to the priority currently given to citizens with a severe medical or welfare need to move, special quotas of young people leaving care and people who are ready to “move on” from supported housing, older people wishing to move to sheltered housing and many accepted homeless people in temporary accommodation.
36. People who will be disadvantaged by the new scheme: Transitional arrangements will be put in place to ensure existing applicants with the longest waiting times are still able to obtain public rented housing if their priority otherwise would have reduced under the new scheme. This group will comprise people currently registered in band C because:
- they are overcrowded by only 1-bedroom
 - their priority for overcrowding is based on the old Locata standard but would not count as overcrowding under the national bedroom standard
 - their priority for overcrowding includes family members aged 21 or over who do not need to live in the household either to receive or provide care and essential support.
 - Their medical or welfare priority to move is of a variable or comparatively mild or moderate nature.

Other people in current bands A, B and C whose priority will be reduced under the new scheme, and to whom transitional relief will not apply, are:

- Those with income or savings over the newly designated limits for eligibility for an allocation of public rented housing.

Other people in any of the current bands whose registration will be closed under the new scheme, and to whom transitional relief will not apply, are:

- Those who are not currently resident in Harrow at the date of implementation of the new scheme (unless a Harrow social care service has responsibility for their welfare, such as looked after children)
- Those who have not lived in Harrow for 5 years at the date of implementation of the new scheme (unless they have been accepted homeless, or are previously homeless people who accepted a qualifying offer in the private rented sector, or a Harrow social care service has responsibility for their welfare, such as looked after children)

37. Our current Allocations scheme awards residents in Bed & Breakfast (B&B) and hostels band B status. In the past this was not a problem as households only stayed in this accommodation for a short time. Now with the homelessness pressures and shortage of temporary accommodation, some homeless applicants in B&B or hostels are getting to the point where they can successfully obtain permanent housing through band B (in a matter of weeks or months). This is very unfair on households who have waited many years in Temporary Accommodation in band C and still are not successful in their bids for social housing. It also gives applicants an incentive to refuse moves to other temporary accommodation and stay in expensive B&B.
38. We propose making an urgent amendment to the Allocations Scheme now in advance of completing the comprehensive Allocations Review, to remedy this so that all homeless households would be placed in band C, whatever Temporary Accommodation they were occupying. We have consulted Registered Providers on the proposed change and have received no objections to the proposed amendment.
39. If agreed, this amendment would come into effect following the Cabinet call in period. Existing applicants in band B by virtue of being in B&B or hostel accommodation will be re-assessed as band C from that date.
40. This will be implemented by deleting references in the Transfer and Lettings Scheme on Page 44 (band B) to "Homeless making own arrangements, or accommodated in B&B, or in Hostel Accommodation" and deleting any other such references.

Housing Business Plan and Asset Management Strategy (Appendix 8)

41. It has not been possible to provide a draft Housing Business Plan to this meeting due to ongoing budget discussions with regard to both the HRA and General Fund. The final Business Plan will be presented to Cabinet in March, and will incorporate the budget decisions being worked on at this time and over the next few months. This report provides a progress update and is intended to be a snapshot of where we are currently in terms of the development of the plan.
42. Since last reported we have taken forward service development in line with our stated intentions at the time the last budget was set, and have also started to develop some new initiatives intended to increase the supply of affordable housing available to the Council.
43. Revised projections are included in Appendix 8 for both revenue account and capital programme and financing, and show a healthy revenue position with revenue balances of £167m accruing over 30 years. In the previous version of the projections seen by Cabinet, this figure was quoted as being £242m. The difference between the two is a combination of the impact of proposals to reallocate staff resources (Support Service Charges (SSCs)) from General Fund housing to HRA housing as a result of changing requirements following HRA reform, and the ongoing impact of improvements to services to ensure that we can get closer to our customers. We are currently also showing a fully-funded capital programme, although the increased costs arising from the ongoing

initiatives and additional SSCs mean that some of the flexibility over the first 10 years of the plan is no longer there.

44. Work is well underway in respect of the Asset Management Strategy, and by December we should have detailed proposals for investment in the Housing stock over the next three years and outline proposals for the remainder of the 30-year projections. The work currently being carried out will determine the extent to which the additional repairs expenditure detailed in Appendix 8 will need to be continued going forward.
45. The detailed investment plans will also include any investment works projected to be carried out in respect of leasehold properties, and the extent to which these will be recoverable. It is essential that these are identified in advance as this will enable the necessary consultation to be undertaken to ensure that there are no barriers to being able to recover the relevant amounts.
46. An appraisal of the long term suitability of the stock is also underway to ensure that investment is not directed at properties for which demand is limited or those without a long-term future. Properties identified within these categories will then be assessed as part of Housing's affordable development strategy to determine whether alternative approaches to significant investment in the properties may be appropriate. Such alternative approaches could include disposal for regeneration, establishing a Special Purpose Vehicle or Joint Venture Vehicle with partners to enable redevelopment, or indeed considering the feasibility of such redevelopment being possible within either the General Fund or HRA, depending on the availability of resources and the stage the HRA was then at.
47. We have started a project to help us achieve our objectives in respect of new housing development, and this will build on the ideas we already have, some of which have been outlined above, but also help with the development of new ideas and potential options for delivering new housing. This project will help to shape the way we will be delivering new housing over the coming years, and will inform the structures and relationships we need to have in place to ensure that we can deliver on our promises and commitments to tenants and residents.

Legal comments

48. The Localism Act 2011, section 150 requires local housing authorities to prepare and publish a tenancy strategy setting out the matters to which the registered providers of social housing for its district are to have regard in formulating their tenancy policies. Section 150 and associated sections, namely the requirement to prepare and publish a tenancy strategy and to consult before adopting the policy, came into force on 15 January 2012. The duty to have regard to the tenancy strategy when exercising housing management functions comes into force on 15 January 2013, but is subject to transitional provisions, if applicable, in the interim.
49. The Council has a statutory duty to publish a housing strategy under the Local Government Act 2003 and a homelessness strategy under the Homelessness Act 2002. The Localism Act has amended the

Homelessness Act 2002 so that there is new duty to have regard to the allocation scheme, tenancy strategy and London housing strategy when formulating or modifying the homelessness strategy.

50. It can be seen from the legislative requirements, that the statutory policies and strategies are very closely linked and when making decisions about one, the Council should have regard to the others

Equality duties

Section 149 of the Equalities Act 2010 created the public sector equality duty. Section 149 states:-

- (1) A public authority must, in the exercise of its functions, have due regard to the need to:
- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

51. When making policy decisions, the Council must take account of the equality duty and in particular any potential impact on protected groups. An Equality Impact Assessment ("EqIA") has been completed for all the strategies and has helped inform their development. The EqIA was published for consultation alongside the Tenancy Strategy and comments have been taken into account in formulating the final document. The same approach will be adopted for the remaining strategies and policies when they are published for consultation.

Financial Implications

52. The thrust of the Housing Changes Review, as set out in the overarching Housing Strategy, is to make the most effective use of our existing social housing stock as well as the private rented sector, increase new housing supply and other housing options that ultimately will assist in mitigating General Fund revenue pressures relating to the predicted rising costs of homelessness. With regard to the private rented sector we propose to continue providing Empty Property Grants funded through the Council's capital programme to enable use of empty private properties to meet priority housing needs.

53. At the present time, we estimate growth in homelessness costs as a result of welfare reform of a minimum of £1m. The proposals set out in the Homelessness Strategy, including how we might help homeless applicants to move to other areas either in London or further away to find an economically realistic housing solution, will make a major contribution to restricting growth to the minimum estimate. Failure to do so will result in significantly increased costs to the General Fund.

54. The development of the Housing Business Plan, which provides the financial base for the Housing Strategy, and the key financial issues to be addressed are set out in the draft report attached at Appendix 8. The benefits of HRA reform will need to be maximised to support the development of options that will contribute to tackling homelessness.
55. The Tenancy Strategy, Tenancy Policy and revised Housing Allocations Scheme will ensure that the existing social housing stock is used more effectively to meet local priority housing needs, including the needs of homeless households. The introduction of fixed term tenancies for Harrow Council stock may have resource implications in terms of staff resources and training to undertake tenancy reviews. However these are anticipated to be cost neutral in terms of the additional lettings generated and no additional resource is budgeted for at this time. Additional temporary staff resources will be required to implement the new Allocations scheme and manage the transition from the old to the new scheme and which have been budgeted for.

Performance Issues

56. There are a number of Performance Indicators within the Housing Scorecard relating to the issues arising from the Housing Changes Review in respect of housing demand and supply. It is intended that the introduction of new and revised policies will positively impact on performance in the long term, for example by supporting the management of the numbers of homeless families in Bed and Breakfast.
57. However current performance set out below reflects the pressures from rising homelessness and the difficulties in finding suitable private rented housing. These difficulties are projected to continue and will impact on future performance.
58. Whilst current supply of affordable housing shows good performance, future supply can only be maintained by continuing to explore a range of new supply models. The Housing Capacity targets agreed for Harrow are development of 350 new per homes per annum. The policy target for the proportion of this to be provided as affordable housing is therefore 140 new affordable homes per annum. The intention is to aim to achieve more than this through new affordable housing opportunities as set out in the draft Housing Strategy.
59. After the new strategies and policies are completed and as part of the 2013/14 service planning cycle we will develop a new set of performance indicators to ensure we are able to monitor the ongoing impact of welfare reform and of the agreed policy changes in mitigating them.

Performance Indicator	Q2 2012/13 Performance	Q4 target	Red Amber Green
Total number of households to whom we have accepted a full homeless housing duty	55	150	Green (acceptances are rising and there is

			a backlog of approvals)
Average number of households in B&B	63	100	Green
No of households with dependent children and/or pregnant women in B&B for 6 weeks or more (P1E)	24	-	
No of households living in Temporary Accommodation	385	400	Green
Number of households we housed in the private rented sector	133	400	Red
Number of cases where positive action is taken to prevent homelessness	648	1050	Green
Reduce underoccupiers in social housing			
Number of affordable homes delivered (gross)	183	270	Green
Empty private dwellings returned to use	113	200	Green

Environmental Impact

60. The outcomes from completion of the Housing Changes Review will have a positive impact and contribute to the Council's Climate Change Strategy and Delivering Warmer Homes strategy through:

- Improving energy efficiency and reducing CO2 in all housing tenures.
- New affordable homes in London being required to achieve a minimum of level 4 of the Sustainable Building Code.
- Other environmental improvements often included in new affordable housing developments or retrofitting of existing social housing include: provision of green roofs, solar thermal hot water systems to meet the target for use of renewable resources and resulting reduction in CO2 emissions, improved biodiversity as a result of increased tree planting and landscaped communal open spaces, provision of Sustainable Urban Drainage Systems, and green travel plans to encourage use of public transport and walking.

Risk Management Implications

Risk included on Directorate risk register? Yes

Separate risk register in place? No

61. The key risks if the principles set out in the various strategies are not adopted are:

- There will be a fall in the numbers of affordable homes completed. This will lead to longer waiting times for affordable housing and

- increased levels of accepted homelessness (above current projections) at increased cost to the Council;
- That if housing options out of Harrow and London are not considered for the households most affected by welfare reform, there will be increased levels of accepted homelessness (above current projections) at increased cost to the Council;
- That if the Allocation scheme is not revised and the Tenancy Strategy/Policy not adopted that we will not be able to ensure that social housing in Harrow is used effectively to meet the highest priority housing needs;
- That if an enabling approach to supporting the lower quartile private rented sector is not continued that private rented supply in Harrow would reduce and homelessness increase as set out above.

62. The risk of the proposed principles not being adopted has been mitigated through the Housing Changes consultation approach, the outcomes of which have informed development of the key principles.

Equalities implications

63. An overarching draft equalities impact assessment was published for the Housing Changes Review with the intention to publish individual assessments for each strategy/policy at the point of consultation and this approach has been followed for the Tenancy Strategy.

64. The Tenancy Strategy EqIA concluded on a range of actions to remove the identified adverse impacts and better promote equality. For example the strategy proposes options to ensure that fixed term tenancies do not adversely impact on the health and well being of households that include someone with a disability. Through the consultation process an amendment has been suggested with regard to Careleavers to ensure that the introduction of fixed term tenancies does not lead to an increased vulnerability for this priority group and the final EqIA has been amended to reflect this.

65. Separate draft EqIA's have been developed for the draft Housing Strategy, Private Sector Housing Strategy, Homelessness Strategy and Allocation Scheme and will be published as part of the formal consultation process. The main points to highlight are:

- The draft Housing Strategy EqIA identifies a positive impact on a number of protected characteristics on actions that will increase the supply of affordable housing in the borough.
- The draft Private Sector Housing Strategy EqIA identifies a positive impact on a number of protected characteristics on actions that will improve and maintain conditions in the lower quartile private rented sector.
- The draft Homelessness Strategy and Allocation EqIAs propose a number of mitigations to tackle any adverse impacts arising from the proposed changes in policy which will be tested through the consultation process.

66. The draft EqIAs will be reviewed following the consultation before being finalised and presented as part of the final decision process for the strategies in March 2013. The strategies and policies will be amended appropriately to take into account the outcomes of the EQIAs. The adoption of any changes in policy will need to be closely monitored against the protected characteristics.

Corporate Priorities

67. This report incorporates the following corporate priorities by involving residents in determining future housing policies and strategies that support people in priority housing need:

- United and involved communities: A Council that listens and leads.
- Supporting and protecting people who are most in need.

Section 3 - Statutory Officer Clearance

Name: Roger Hampson	<input checked="" type="checkbox"/>	on behalf of the Chief Financial Officer
Date: 29 November 2012		
Name: Paresh Mehta	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 29 November 2012		

Section 4 – Performance Officer Clearance

Name: Martin Randall	<input checked="" type="checkbox"/>	on behalf of the* Divisional Director Strategic Commissioning
Date: 16 November 2012		

Section 5 – Environmental Impact Officer Clearance

Name: Andrew Baker



On behalf of the
Divisional Director
(Environmental
Services)

Date: 21 November 2012

Section 6 - Contact Details and Background Papers

Contact: Alison Pegg/Jane Fernley, Housing Partnerships and Strategy Manager, Tel 020 8424 1933 or email:

Alison.pegg@harrow.gov or jane.fernley@harrow.gov.uk

Background Papers:

1. Housing Changes Cabinet report and associated appendices 15 December

2011 (<http://www.harrow.gov.uk/www2/documents/g60643/Public%20reports%20pack,%20Thursday%2015-Dec-2011%2019.30,%20Cabinet.pdf?T=10>)

2. Housing Changes Cabinet report and associated appendices 19 July 2012

(<http://www.harrow.gov.uk/www2/documents/g61070/Public%20reports%20pack,%20Thursday%2019-Jul-2012%2019.30,%20Cabinet.pdf?T=10>)

3. Housing Evidence Base

(http://www.harrow.gov.uk/downloads/download/3646/housing_evidence_base_21)

4. Report of the Overview and Scrutiny Committee review of “Private rented sector housing in Harrow” presented to Cabinet on the 13th September 2012

(<http://www.harrow.gov.uk/www2/documents/g61071/Public%20reports%20pack,%20Thursday%2013-Sep-2012%2019.30,%20Cabinet.pdf?T=10>)

**Call-In Waived by the
Chairman of Overview
and Scrutiny
Committee**

NOT APPLICABLE

[Call-in applies].