

REPORT FOR: **CABINET**

Date of Meeting:	15 December 2011
Subject:	Housing Changes Review
Key Decision:	Yes
Responsible Officer:	Paul Najsarek, Corporate Director Adults and Housing
Portfolio Holder:	Councillor Bob Currie, Portfolio Holder for Housing
Exempt:	No
Decision subject to Call-in:	Yes
Enclosures:	Appendix 1: Evidence Base summary Appendix 2: Consultation Outcomes Appendix 3: Next Steps Action Plan Appendix 4: EqlA Appendix 5: Pan London Mobility Scheme details

Section 1 – Summary and Recommendations

This report sets out the outcomes from the Housing Changes consultation on the housing policy changes being introduced by the government and the next steps on how these might be implemented in Harrow.

Recommendations:

Cabinet is requested to:

1. Note the housing policy changes arising from the Localism Act and other reforms and the related requirements on Local Authorities arising from this;
2. Note the outcomes from the Housing Changes consultation;

3. Agree the revised Housing Strategy objectives set out in paragraphs 33 – 39 for consultation alongside the proposed policy options;
4. Agree the policy options for further consideration set out in paragraphs and the Next Steps Action Plan set out in Appendix 3;
5. Delegate authority to the Corporate Director Adults and Housing in consultation with the Portfolio Holder for Housing to approve draft policies for formal consultation;
6. Agree that Harrow should participate in the Pan London Mobility scheme by putting 5% of lettings into the scheme, and reducing the number of lettings that go into the West London cross borough scheme so that the total number of lettings available for non Harrow residents wishing to move to Harrow does not change and that the existing Allocation Scheme is amended as set out in Appendix 5.

Reason: (For recommendation)

To enable the completion of key housing policy and strategy documents required by the Localism Act.

Section 2 – Report

Introduction

This report sets out a direction of travel in relation to a wide range of policy changes that are possible as a consequence of legislative and other changes being introduced by the Government. The Housing Ambition Plan set a framework that has helped to engage with tenants, leaseholders and members of the public in service recovery and in responding to the challenges of the new agenda. The task now is to identify the optimum shape for service delivery post March 2012; as housing's customers are amongst the poorest in the borough, they are likely to be disproportionately affected by the changes. It will therefore be essential to get Closer to the Customer in the next period to ensure support is available through these difficult times and to continue to strive to improve satisfaction.

1. The Localism Act 2011 received royal assent on 15 November 2011 and introduces a range of housing policy changes. These provide new opportunities to local authorities to decide who should get social housing in their area and introduce a flexible tenancy for new tenants. At the same time the way that the development of new affordable housing is funded has also been changed. The Affordable Rent (AR) model works on the basis that up front capital grant subsidy is significantly reduced and replaced by revenue subsidy generated through increased rents of up to 80% market rents. From April 2011 grant funding for new affordable housing is only generally available where an average of 80% market rent is charged.

2. The other key change is the introduction of HRA self financing which will put business planning for the Council's housing stock on a similar basis to that for housing associations. Details on this are contained in the accompanying report on the Housing Revenue Account budget.
3. In addition to this there have been 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. Looking ahead the Welfare Reform Bill introduces the concept of a universal credit. This will incorporate a range of benefits including housing benefit and will be capped. Larger households in particular will find the caps lower than the current combined personal allowances and housing benefit. Even affordable rents at 80% of market rent may become unaffordable for some families with a risk that some will be faced with a stark choice between paying their rent and paying for other necessary household expenses.
4. The main freedoms, flexibilities and new requirements introduced by the Localism Act and other instruments are:
 - Introduction of flexible tenancies with a general minimum tenancy period of 5 years and 2 years only in exceptional circumstances to enable social landlords to make best use of social housing;
 - Introduction of the Affordable Rent model with rents increased to a maximum of 80% market rent;
 - There will be flexibility to introduce local housing allocation criteria provided priority continues to be given to those meeting the "reasonable preference" criteria eg homeless households, those needing to move on medical or welfare grounds, overcrowded households and those occupying unsanitary housing.
 - Requirement to participate in national mobility schemes to ensure all tenants have opportunities to move to meet their housing need.
 - Ending the right that homelessness applicants have to refuse offers of private sector housing by giving the Council the ability to discharge homelessness duty by offering a private rented sector tenancy for a minimum period of 12 months
 - Requirement to develop a Tenancy Strategy within 12 months of the Act becoming law – deadline for completion likely to be January 2013.
 - Provision for locally sponsored housing development as part of a "neighbourhood plan" and "neighbourhood development order"
5. The government published a "Housing Strategy for England" on the 21 November 2011 which builds on other reforms and commitments and includes:
 - Help for struggling house purchasers because of the need for larger deposits;
 - Proposals to increase discounts under the Right to Buy (RTB) with a commitment that the receipts generated are used to procure a like for like replacement of an affordable home. The details will be set out in a consultation paper and will have implications for viability of HRA self financing;

- A £400m “Get Britain Building” funding pot to help housebuilders kick-start stalled building projects;
 - Consultation on increasing social rents up to market rent levels for households with incomes of over £100k per annum;
 - Stronger measures to tackle fraudulent occupation of social housing;
 - Support for greater investment in the private rented sector;
 - Additional support to bring empty homes back into use;
 - Measures to improve the quality and choice of housing available to older people to help them stay independent for longer
6. 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 is due to be published for formal consultation in December 2011 and a pre-consultation draft has already been published.
7. Given the many changes proposed it has been agreed that it would be appropriate to review all Harrow’s current housing strategies and policies 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:
- **Tenancy Strategy** setting out how the new tenancies should be used locally by all social housing landlords
 - Council as landlord will need to have its own **Tenancy Policy** setting out what tenancies it will offer, the review process etc
 - **Housing Strategy** to be reviewed taking account of implications arising from all the reform proposals. Whilst the current overarching objectives are still relevant the way in which these are met will change
 - 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** needs to be updated to reflect this.
 - Introduce a **Private Sector Housing Strategy** to strengthen our plans for ensuring there is a good quality private rented housing sector locally
 - Review **Allocation Policy** to ensure it meets local priority needs and makes best use of limited social housing opportunities
 - Revised **Affordable Housing Policy** giving clear policy and guidance issued to development partners setting out how we intend to support development in Harrow using the new model, what our priorities continue to be and who we will house in the different types of affordable housing
 - **HRA Business Plan** to be reviewed to analyse implications of additional debt, savings in subsidy payments, what head room if any will exist in relation to borrowing ceiling, overall net gain position in light of investment requirements and set out new 30 year business plan
 - **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

8. 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.
9. 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 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

Background

The Local perspective – key issues emerging from the Evidence Base that will need to be addressed by the Housing Changes Review

10. The population of Harrow is increasing as in all London boroughs but projections show that the average household size is likely to be significantly higher than the London average. This is despite Harrow's ageing population.
11. As with the rest of London, private sector accommodation – both to rent and buy - is unaffordable to Harrow residents on average or lower incomes. For many households private sector rents are only affordable with HB support and for some (larger families, young singles) they will soon face a stark choice: either to move to smaller affordable housing in Harrow (if available) and/or to cut household expenditure on other items, or to move outside London to a property that meets their actual needs.
12. Private rents are increasing as fewer people are able to move into home ownership. This is further squeezing the availability of homes at the lower end of the market – this is the market which the Council uses to provide housing for those in housing need, because of the lack of availability of affordable housing. HB support is also reducing, further restricting availability at the lower end of the private rented market.
13. The HB changes are likely to lead to inward migration as families in inner London are unable to afford homes in the private rented sector and are therefore forced to move to relatively cheaper areas of London, such as Harrow. This impact is not likely to be seen until mid 2012 and we will be monitoring this closely.
14. The majority of people in Harrow own their own homes (70%). Unlike the rest of London, Harrow has a very small social housing stock (10%) resulting in few properties becoming available for letting each year and therefore social housing options are currently only available to those deemed to be most in need who are generally on very low incomes, that is welfare dependent.

15. Housing tenure in Harrow has changed over the last 10 years, with owner occupation declining by 6% and private renting increasing by 6%. At 20% the private rented sector is now nearly twice the size of the social housing sector (11%). Most people who are unable to buy their own home are likely to have their housing needs met through renting privately. Social housing will continue to be an option for the minority of residents.
16. Harrow has high average house prices meaning home ownership is also out of reach for those on average or lower incomes.
17. All of the above factors, plus recent welfare benefit changes in 2011, have led to an increase in homelessness applications and acceptances in Harrow, resulting in more families being placed in B&B at an average cost to the Council of £7000 per year. Whilst Harrow is a top performer in terms of managing and preventing homelessness (lowest acceptances in London, lowest number in B&B in West London) there are no signs that the upward trend is going to reduce in the near future.
18. Within social housing there is a mismatch between people who live in homes that are too big for their needs (underoccupiers) and people whose homes are not big enough for their needs (overcrowded). However, the numbers involved are quite small (151 households) i.e. 1-2% of the social housing stock.
19. The greatest need for social housing is for family housing (3 bed plus) and this is where we have the fewest vacancies.
20. The need for affordable housing is far greater amongst certain BAME groups who are therefore disproportionately affected by the lack of supply.
21. There is a need for supported housing to meet the needs of vulnerable people, including a range of sheltered/ extra care housing (as an alternative to residential care) and supported accommodation to meet the needs of people with learning disabilities and mental health needs. This will be predominantly in the social housing sector. Interest from private housing providers in coming to Harrow with targeted housing offers is nevertheless thought to provide opportunities within this area in the future as an alternative way of meeting demand.
22. Overall housing supply is constrained by availability of developable land. At 350 units per annum, Harrow has the lowest new supply target in West London. Whilst the supply of new housing, including affordable housing, has been above target over the last 5 years it will be a challenge for the private sector to deliver new homes, support infrastructure development and affordable housing during the current economic climate. Historically a significant proportion of new affordable housing has been delivered in partnership with the private sector and housing associations. Enabling a continued supply will be driven by planning policy and negotiation through the planning application process for site specific proposals with regard to tenure, mix and type taking into account other constraints and priorities including the reduced availability of grant support.
23. Harrow has some pockets of multiple deprivation, which closely correlate to social housing estates, and which we have done much to tackle through

specific regeneration schemes (Rayners Lane and Mill Farm). Outside of these, Harrow's social housing estates are generally small and well integrated with the wider community and therefore do not suffer to the same extent with physical and social deprivation as seen in other London boroughs. Current allocation policies which mean that only those who are in the main welfare benefit dependent get housed have the potential to undermine this position.

Consultation Outcomes - what do Harrow tenants, leaseholders and residents think about housing in Harrow?

24. This is the first time Harrow has reviewed its whole range of housing strategies at the same time, and this offered the opportunity for us to take a comprehensive approach to engaging residents in discussing the evidence, the changes and the possible policy implications. Initial consultation was undertaken over the summer using a roadshow approach similar to Lets Talk and accompanied by a booklet explaining all the policy changes and potential implications for a variety of households in Harrow. The consultation questionnaire was also made available through the Council's website. The intention was to reach a wider audience than in the past where consultation was primarily achieved through holding a conference event to which there were limited invitations. A number of community based events were held at various locations across the borough and questionnaires were completed by people living across the full range of housing tenures in Harrow. The full details of the consultation responses are set out in Appendix 2 and the main outcomes are summarised as follows:
25. Many people will need to move in the future and particularly those living in the private rented sector. Those living in the private rented sector were concerned about its lack of long term security and the detrimental impact on families, support systems etc.
26. Over 80% of respondents think there is a need for more affordable housing for rent and this should be affordable to those who are working. There were mixed views on how much rents should be increased for new affordable housing, to enable the continued development of new affordable housing under the new funding regime. 37% agreed we should increase rents on all new homes by a small amount. 34% that rents should be kept at current levels and 29% that rents should be increased to the maximum allowed (80% of market rents).
27. 77% of respondents stated that Harrow should continue to help people into home ownership and those who were not already home owners were interested in shared ownership as an alternative to privately renting.
28. People recognise the problem of unaffordable housing in Harrow and 59% accepted that, for some people, it may prove a better option to move out of Harrow to find suitable accommodation **provided** no-one is forced to move against their will and provided that consideration is given to family networks, support needs etc.

29. 58% of people questioned agreed it would be fair to introduce the government's new fixed term tenancies (e.g. for 5 years) in Harrow's social housing, to help increase the availability of affordable homes to those who most need it. However, many people pointed out that tenancy reviews at the end of the fixed term would need to be undertaken fairly, to take account of individual circumstances and wider community sustainability. 90% felt that older people and those with disabilities should be offered longer tenancies/ tenancies for life. There is also a common view from existing tenants that there would be no incentive to downsize to a smaller property if this were to be offered as a fixed term tenancy at a higher rent.
30. There was support for the housing allocation policy to recognise the needs of people in low paid employment as well as the housing needs of homeless families, overcrowded households and those with medical needs. 26% felt that priority for affordable housing should be given to people in low paid employment. 83% of respondents agreed that the council should continue to provide help to all homeless people to find a home in the private sector.
31. 85% of respondents felt that the council should try to encourage higher standards in the private rented sector, with examples being given of situations where standards were unsatisfactory.

Conclusions and proposed revised Housing Strategy objectives

32. Analysis of the evidence base and the consultation responses has led to the following proposed revised housing strategy objectives.
- 33. Deliver excellent services shaped and valued by our communities:**
This is the current overarching vision for the Housing Ambition Plan and is the driver for working with tenants, leaseholders and residents to improve services and involve residents in responding to national policy changes.
- 34. Increase the supply of housing, including locally affordable housing:**
A reasonable supply of good quality affordable housing for rent, especially family housing, is vital to meet the needs of some households who are priced out of the private sector housing market in Harrow. Delivery of new affordable housing is dependent on the overall supply of new housing which is itself constrained by other financial requirements including the need to deliver social and physical infrastructure. The Core Strategy and related documents set out the Councils vision for growth and how this can enable a continued supply of affordable housing. However given the difficult economic climate and competing priorities consideration needs to be given to the commercial requirements of private developers and housing associations in order to maximise the overall supply. Therefore allowing some increase in rents beyond current target rents for new social housing may be a necessary option to encourage and stimulate supply.
- 35. Continue to tackle homelessness by improving access to, and improving standards in, the private rented sector:** The social housing sector 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 likely housing solution for most households and we therefore

need to see what we can do to stimulate this sector especially at the lower end of the market, to encourage more stability and to facilitate better standards and longer tenancies;

36. Enhanced housing options, promoting mobility and choice: Securing housing options outside Harrow and London will be necessary for those households for whom this offers the best solution, and if that is what they choose. A focus on increasing mobility is therefore essential. Given the small size of the social housing stock in Harrow it is essential that we make the most of this sector, and encouraging under-occupier moves and introducing fixed term tenancies are one way of encouraging those who are able to move on. However the latter will need to be considered carefully as these could be a barrier to under occupation moves especially when combined with higher rents;

37. Supporting sustainable and viable communities: Overall it is important that we preserve the sustainability and viability of Harrow's social housing to avoid Council housing in particular becoming ghettos of welfare benefit dependency where there is little hope for people to improve their circumstances. Changing the allocation policy to provide a balance of employed and unemployed working households may contribute to this, alongside welfare to work programmes, financial inclusion strategies etc. The use of fixed term tenancies will need to be carefully introduced in order not to increase stock turnover to a point where communities are destabilised.

38. Procuring supported housing for people with additional needs: We need to make sure that there is supported housing available to meet the needs of older people, those with mental health needs, learning disabilities and looked after children. This needs to be consistent with the priorities of offering personalised services, promoting independence, reducing the use of residential care and producing revenue efficiencies wherever possible. This will include options appraisals/ redesignation/ modernisation of existing supported housing schemes and investigating new private sector housing options. There are also implications for the housing allocations policy review to be considered. Any decision to proceed with a new supported housing scheme will be subject to approval of a robust business case.

39. Improving neighbourhoods and the quality of existing homes: The HRA Business Plan report also on the agenda for this meeting outlines the impact of moving to a self financing model and the options there will be for continuing to maintain and improve the Council's housing stock and estates. Given the increase in the importance of the private rented sector as an option for people who are unable to buy and for those in priority housing need there is increasing importance on what the Council can do to both enable and enforce improved standards, including energy efficiency and CO2 reduction, whilst encouraging growth of the sector rather than stifling it. Where housing proposals require planning permission, the recently adopted planning guidance on residential development and the emerging development management policies (DPD Development Plan Document) will have a key part to play in meeting this objective.

Policy Options to be considered, where these are amendments to existing policies or proposed new policies

40. Increase the supply of housing, including locally affordable housing:

1. Maximise the use of existing Council land resources including HRA land combined with Affordable Housing Fund (AHF) resources, HRA capital receipts etc to stimulate supply.
2. Further modelling with Registered Providers (RPs) on the level of rent increases (up to 80% of market rent) that can be sustained whilst maintaining affordability in order to maximise supply including family housing and on the basis that allocation policies will be amended to give priority to low income working households
3. Continue to make best use of available grant funding for example to bring empty homes back into use.

41. Continue to tackle homelessness by improving access to and improving standards in the private rented sector

1. Consider options for encouraging development of new private rented housing, possibly to replace affordable housing requirements on some sites, in return for longer tenancy offers etc
2. Discharge homelessness duty through offering a tenancy in the private rented sector instead of a social housing tenancy
3. Enhance Help2Let scheme to assist with above
4. Continue to use Empty Property scheme to drive up standards and promote longer tenancies
5. Consider options for enabling and/or enforcing improved standards in the private rented sector.

42. Enhanced housing options promoting mobility and choice

1. Facilitate moves out of Harrow/London where economic solutions do not exist in Harrow
2. Introduce fixed term tenancies (with reviews at end of term) in Council tenancies and work with other social housing landlords (housing associations) to determine the strategic framework for their introduction and ongoing management in Harrow
3. Actively promote the Pan London Mobility scheme which offers our tenants the opportunity to move to other London boroughs. This scheme has just been agreed by the London Boroughs and to participate we need to amend our existing Allocations Scheme to enable our participation in it as proposed in Appendix 5.
4. Encourage underoccupation moves
5. Continue to promote low cost home ownership schemes and consider different models to deliver locally affordable schemes

43. Supporting sustainable and viable communities

1. Change allocation policies to reduce waiting time for those who will qualify for housing by:
 - giving more priority to working households

- giving overcrowding priority only to those households with severe overcrowding and prioritise families with school age children
 - limiting medical priority, so only households whose housing circumstances are having major adverse effects to one or more members of the household will receive priority.
 - giving priority to ex-service personnel and local people
2. Work with other social landlords to develop and promote employment, Basic Skills, and vocational schemes supporting residents into sustainable employment.
 3. Support / implement financial inclusion strategies for low income households.
 4. Continue to give priority to Looked After Children Leaving Care for whom the Council has a Corporate Parenting Responsibility.

44. Improving neighbourhoods and the quality of existing homes

1. The options for maintaining and improving the Council's housing stock including energy efficiency and other green initiatives will be considered in developing the detailed the HRA Business Plan.
2. Continue to make best use of empty homes e.g. through reviewing current grant schemes.

45. Procuring supported housing for people with additional needs

1. Develop plans for supported housing for people with lower level support needs, as part of a longer term prevention approach.
2. Support measures to develop flexible alternatives to residential care, which promote independence and are more cost effective
3. Support the development of housing options for people with learning disabilities, including the remodelling of existing schemes.
4. Support the provision of supported accommodation for people with mental health needs, where there is currently an under provision.

Recommendations

Next Steps Action Plan

46. It is proposed that the action plan attached at Appendix 3 is progressed to model the impact of the proposed policy options and that further consultation is then undertaken. We now have over 200 residents who participated in the initial Housing Changes consultation and who have expressed an interest in being consulted on the options as they are developed. The next stage will therefore be mainly an email and web based consultation combined with meetings of key forums and voluntary groups including with Registered Providers (RPs and also known as housing associations). Development of the policies will continue to be overseen by the Portfolio Holder for Housing working with the Members Housing Policy Task Group. Delegated authority is sought to approve draft policies for formal consultation with the final versions to be presented to Cabinet for approval in May 2012 at which time the proposals arising from Government's housing strategy will have been consulted upon and the London Housing Strategy should have been published.

Legal comments

47 The Localism Act 2011 received royal assent on 15 November 2011. S.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. This and associated sections are not yet in force and regulations are awaited confirming who must be consulted before adoption of the policy, which must be before the end of 12 months from the day on which the section comes into force. However, the Act states that the Council must allow every private registered provider in its area the opportunity to comment and consult the Mayor of London. The Council must also have regard to its current allocation scheme, homelessness strategy and London housing strategy in formulating its tenancy strategy.

48 The Council has a statutory duty to allocate housing in accordance with an allocation scheme under the Housing Act 1996. Section 167 requires the Council to consult with registered providers of social housing in relation to a major change of policy. The proposed change to the allocation scheme in relation to PLM is not a major change to the existing allocation scheme, because 10% of properties are already released for out of Borough applicants under the West London scheme and it is planned that this will reduce to 5% to allow 5% to be allocated in accordance with PLM, therefore the percentage of out of Borough allocations will remain the same. However, the Council did provide details of the proposed change to all local registered providers and invited comments on the same. Any comments made by the registered providers must be taken into account when deciding whether to approve the amendment to the allocation scheme.

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. Once the relevant section of the Localism Act comes into force, there will be a 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. For this reason and due to the significant changes being proposed in the Localism Act, it is reasonable to consult on all policies and strategies at the same time and for the Council to approve and publish them at the same time.

Equality duties

51 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.

52 When making policy decisions, the Council must take account of the equality duty and in particular any potential impact on protected groups. An EqIA has been completed in relation to the proposed changes and has helped to inform the next steps action plan. Once the next stage of consultation has been completed, the results of this, the earlier stage of consultation and other relevant information will be used to identify what, if any, potential impact the changes will have on specific protected groups and any mitigating measures that can be taken.

53 In relation to the proposed amendment to the allocation scheme regarding PLM, three priorities have been set, namely number of bedrooms freed up, member of household in employment, training or education linked to employment and member of household providing care or support. The aim of the scheme is to allow tenants from London boroughs to transfer to tenancies across London. This is a reciprocal arrangement, so whilst 5% of available properties will be made available to transferring tenants from other boroughs, existing tenants of the Council can also make transfer applications through PLM to be considered for vacancies in other areas of London. Priority 1 focuses on freeing up underoccupied properties to allow for better use of housing stock. One of the second priorities allows people to move across London to provide care and support to family members. This proposal should have a positive impact on people with disabilities. As the proposal is to replace in part the West London scheme, the impact to applicants within Harrow should be neutral, although for applicants in protected groups who need to move to another area of London and qualify under the PLM priorities, the proposal will have a positive impact.

Financial Implications

54 As this report is a position statement setting out a proposed direction of travel for future housing strategy and identifying further actions to be undertaken before recommending final policy decisions, it is not possible to quantify the financial implications at this stage. However, all of the policy issues under consideration are intended 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 cost of homelessness.

55 Disposal of Council assets are a major part of the Councils financial strategy in balancing revenue costs and therefore any proposals which

impact on the Council's ability to maximise receipts for this purpose this are unlikely to be financially viable.

56 As referenced in this report the Council has a relatively small housing stock and in recent years the level of sales through the Right to Buy process has been very low [approx 3-5 per annum]. The Housing Strategy document published by the Government anticipates significantly increasing discounts for tenants in social housing. The impact on the social housing capacity across the sectors, the treatment of the capital receipts through this process in relation to historic debt and the impact on the Council in terms of the longer term viability of the HRA will require modelling to fully assess both the financial and strategic impact of this significant policy change.

57 The HRA Business Plan and move towards self financing is being progressed and whilst it is anticipated the self financing model will result in additional resources becoming available, this will need to be considered alongside the impact of the strategic changes anticipated in relation to the Right to Buy process. The use of any additional resources will need to be carefully considered as the detail of the self financing deal is confirmed.

58 Adoption of some of the policy options such as the introduction of flexible tenancies 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.

Performance Issues

59 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 minimising increases in the numbers of homeless families in Bed and Breakfast. Current performance set out below demonstrates the rise in homelessness and difficulties in finding suitable private rented housing, the reasons for which are set out in paragraph 10-23 of the report. Whilst current supply of affordable housing shows good performance, future supply can only be maintained by exploring the policy options outlined in paragraph 40 of the report. After the new strategies and policies are completed there will be a review of the Performance Indicators to ensure we are able to monitor their impact.

Performance Indicator	Q2 2011/12 Performance	Q2 target	Red Amber Green
Total number accepted as homeless and in priority need	51	36	Red
Average number of households in B&B	45	35	Red

No of households living in Temporary Accommodation	410	432	Green
Number of households we assist with housing in the private rented sector	89	125	Red
Deliver 200 lettings through Help2Let	58	100	Red
Reduce underoccupiers in social housing	19	16	Green
Number of affordable homes delivered (gross)	249	160	Green
Empty private dwellings returned to use	138	100	Green

Environmental Impact

60 The outcomes from completion of the Housing 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 risk is completion of the strategies/policies within agreed timescales. The launch by the Government of a national housing strategy on 21 November 2011 and associated consultations may mean that some of the strategies/policies cannot be completed by the originally intended timescale of March 2012. It is also possible that further guidance or regulations will be issued following the Localism Act receiving royal assent, which impact on the policy proposals. Giving officers delegation to finalise the detail of the policies submitted for consultation, will allow any further regulation to be taken into account during this process. The Localism Act requires that certain policies are complete within 12 months of enactment and relevant sections coming into force and the anticipated longstop date for policy compliance is January 2013. It is anticipated that the Harrow strategies will be completed well before this date and they are scheduled to be reported for approval by Cabinet in May 2012.

Equalities implications

- 62 An equalities impact assessment has been carried out on the combined implications/impacts of all the proposed strategy/policies as they are all interrelated and is attached at Appendix 4. In addition individual impact assessments have been undertaken on certain key policies where there is higher likelihood of an adverse equality impact eg the allocation policy.
- 63 The government has completed its own impact assessments on the proposals contained within the then Localism Bill. A full Equality Impact Assessment was completed in respect of the proposal to enable discharge of homelessness duty by offering a private rented sector tenancy as well as the introduction of the Affordable Rent model.
- 64 The findings of the Council's EQIA indicate there may be adverse impacts on certain protected characteristics particularly in respect of age, disability, sex, pregnancy and maternity and race if all of the key policy changes are introduced without further work to model the possible impacts – both adverse and positive. The potential key impacts are that young people, people with disabilities, lone parent households in the main headed by women, households with dependent children and BAME households may have less access to secure and affordable housing.
- 65 However, adoption of the key policy changes may also result in increased opportunities to find secure and affordable housing, although this may not be in Harrow or on the same terms and conditions as existing social housing tenants.
- 66 Further work is required to consider this in more detail in particular modelling the potential benefits of policy changes and the “winners and losers” and is included in the next steps action plan.

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: Donna Edwards

on behalf of the
Chief Financial Officer

Date: 21 November 2011

Name: Sarah Wilson

on behalf of the
Monitoring Officer

Date: 22 November 2011

Section 4 – Performance Officer Clearance

Name: Martin Randall

on behalf of the
Divisional Director
Partnership,
Development and
Performance

Date: 11 November 2011

Section 5 – Environmental Impact Officer Clearance

Name: Andrew Baker

on behalf of the
Divisional Director
(Environmental
Services)

Date: 14 November 2011

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: Localism Act 2011, Housing Evidence Base, Housing Strategy 2006,

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

NOT APPLICABLE

[Call-in applies]