

Report of: Head of Community Housing and Community Development

To: Executive Board

Date: 21 April 2008

Item No:

Title of Report : Annual Lettings Plan – allocations percentages



Summary and Recommendations



Purpose of report: Report to recommend new percentage targets for the allocation of social housing in 2008/09, to identify the reason for this and the potential impacts as a result.



Key decision: Yes

Portfolio Holder: Councillor Patrick Murray

Scrutiny Responsibility: Housing



Ward(s) affected: All

Report Approved by:



Patrick Murray - Portfolio Holder

Suzan Smart - Finance



Jeremy King – Legal Services



Policy Framework:

Oxford Plan



Homeless Strategy

Allocations Scheme

Recommendation(s):

1. Note the performance against the Lettings Plan at Appendix 1 for 2007/08 (April – December)



2. Note the potential impact of the change

3. Recommend the proposed Lettings Plan at Appendix 2 for 2008/09 for approval by full Council



Summary

1. This report looks at the expected results of the Lettings Plan 2007/08
2. The report seeks to identify the issues influencing a change to the target allocation percentages and the implications of making a change
3. The report proposes that changes to the current allocation percentage targets are implemented from 1st April 2008. These seek to further increase the number of two & three bed vacancies given to the general register as part of the homelessness prevention agenda

Vision and Strategic aims

4. Although this report does not produce more affordable housing stock, it is concerned with the effective allocation of social housing and therefore directly relates to the objective of providing more affordable housing
5. The development of a clear Lettings Plan also links to the Council's vision of service improvement, reducing social exclusion by helping to create more sustainable communities, and improving homeless prevention measures

Background and Context

6. The Annual Lettings Plan contains allocation percentages, which are targets, set by Full Council, which seek to determine the proportion of social housing that is offered to different lists within the Council's Housing Register. The current Lettings Plan was agreed on 30th April 2007, and the targets are shown in Appendix 1 (including performance up to the third quarter)
7. These figures are reported quarterly to Housing Scrutiny with an explanation of reasons why there are differences between targets & results

Key Issues and Objectives

8. The Council has approximately 500 households in temporary accommodation and has accepted a statutory homeless duty to 476 of these. The Council spends £1,056,686 per annum (excluding staff costs) maintaining such numbers in temporary accommodation. The proportion of allocations currently made to this group, along with other initiatives, has allowed a planned reduction in the amount of temporary accommodation, and produced budget savings
9. Communities & Local Government (CLG) is continuing to seek reductions in the number of households living in temporary

accommodation and set a target – that of halving the number of households in temporary accommodation by 2010 (from the level in January 2005). In Oxford, it is expected the 2010 target will be met during 2008/09

10. The Council's current Homelessness Strategy set targets for the reduction of person's accepted as homeless (by 40% from 2003 to 2008 – which has been met) and states that the long term aim should be to clear the 'bottle-necking' of households in temporary accommodation, and to shift the allocation percentages away from the homeless list, to make re-housing, through other means, a more likely alternative. This is part of the prevention of homelessness agenda. This strategy is currently being reviewed & the strategy for 2008 – 2013 will be produced by July 2008. The proposed target is to continue to reduce homeless acceptances by 10% each year

11. The current wait in temporary **homeless** accommodation is still significant for most households. There has been a slight change in waiting times in the last year, but the approximate waits for accommodation are as follows:

One Bed	2 – 2.5 years
Two Bed	1 - 2 years
Three Bed	3 - 4 years
Four Bed	4 - 5 years

12. There are now 8 households that have been in temporary accommodation for over five years and have yet to receive a successful offer. The majority of these are waiting for four-bedroom accommodation or larger

13. In addition to homelessness, there is still also much other unmet housing need in the City. The present allocation percentages gives a relatively low chance of re-housing to any family from the **General** Register, unless in dire emergency. There are presently about 2723 households registered on this list (excluding statutory homeless households). Many have little housing need, although some have significant priority as indicated through the banding system. For example, 14 households (0.5% of this list) have priority for being overcrowded with two or more bedrooms short of their assessed requirement. 12% of this list (329 households) receives some level of overcrowding priority for being at least one bedroom short.

14. The number of households on this list has decreased since last year's Lettings Plan (recorded as 3400). This reflects better options information about re-housing prospects being unlikely to be met by the Council; more properties available to the General list; effective management of out of date applications & all partner RSL tenants now registering on the transfer list rather than the general list

15. The **Transfer** list presently comprises of 1082 households (including all tenants of partner RSLs). 23% of these (245 households) have overcrowding priority for being one bedroom short of their assessed requirement. This includes 1.2% (13 households) that are more seriously overcrowded – being two or more bedrooms short. Mobility

within the social housing stock is limited, with many tenants having little prospect of transferring from their current home, especially if they require 3 or 4 bedroom family accommodation

16. A profile of the lists is shown below, giving an indication of the size of accommodation that households require:

Size	General Register	Homeless	Transfer Register	Total
Non Family				
One Bed	945	73	57	1075
Des Elderly/ Sheltered				
One Bed	833	6	354	1193
Two Bed	7	0	40	47
Family Accommodation				
Two Bed	523	224	257	1004
Three Bed	276	114	231	621
Four Bed+	139	59	143	341
Total	2723	476	1082	4281

17. It is clear that the main issue is that demand for social rented accommodation in Oxford continues to far outstrip supply. This report is primarily concerned with how this limited resource is allocated between competing interests, although information relating to housing need and the profile of these lists is being increasingly used to inform decisions concerning the supply of housing, such as in our drive to have more larger family accommodation developed
18. Choice Based Lettings (CBL) was introduced on 9th January 2008 & as yet it is too early to clearly see the impact it may have on meeting the targets in the Lettings Plan. There is a clear need for an effective Lettings Plan to monitor actual lettings & inform decisions about limiting bidding by through advert labelling
19. The Oxford Register for Affordable Housing (ORAH) has not brought a significant increase in the number of properties available for those on the waiting list. This is because most partner landlords have always put their properties forward for nomination by the Council, with only very limited numbers being used for internal moves

Options considered and evaluation of them

20. The main issue to consider is can the allocation percentage to the **Homeless list** be reduced further? The Council is required by law to give reasonable preference to certain groups, one of which is those who are statutory homeless. The following possible negative impacts of

doing so have been considered in producing the Lettings Plan for 2008/09

- *That the wait in temporary accommodation for homeless households increases.*
- *That new homeless presentations do not fall as quickly as this reduction in re-housing, thus increasing the numbers of households in temporary accommodation*
- *That this results in an increase in temporary accommodation costs and the failure to meet the Homelessness Strategy targets.*
- *That Government targets to reduce use of TA by 50% by 2010 is not met*

21. However, analysing the performance for the year so far in this area has shown that there has not been a significant detrimental impact of reducing the percentage of properties allocated to the homeless list:
- The wait in temporary accommodation has actually decreased for most property sizes, particularly 2-bedroom properties. The only group who have not had a decreased waiting time are those waiting for non-designated single accommodation, and this is essentially due to the relatively low number of non-designated properties that have become available. It is also affected by more effective procedures to look at risk & the probability of tenancy sustainment, which means that vulnerable single people will not be allocated a property until staff are satisfied that relevant support is in place
 - New homeless acceptances have fallen substantially this year: acceptances for 2006/07 were 232 (12 below target) and for 2007/08 are on target to be about 200
 - The cost of temporary accommodation has reduced since last year
 - In order to be on target to reduce the use of TA by 50% by 2010, we substantially reduced the number of units being used & expect to meet the 2010 target during 2008/09
22. Also considered was a resulting increase in allocations to the **General list** which, in the longer term, could result in less homeless presentations. There have, for example, been cases in the last year where young pregnant women/families have been prepared to stay at the parental home longer if there was a chance of being re-housed via this route, rather than being asked to leave, presenting as homeless, and remaining in TA until housed. There have also been cases where private landlords have been flexible about tenancy end dates where an offer of accommodation through this route has been imminent
23. We will have offered around 60 2-bedroom properties to the general list by the end of the year and it is fair to assume that many of these households would otherwise have presented as homeless without the offer they were made
24. Also considered was whether reducing allocations to the homeless list would facilitate an increase in allocations to the **Transfer list**, and would result in some additional vacancies being created (albeit more

likely to be smaller units) that could be used to house more people.

More allocations to this list would not only increase mobility, but could help to address issues of over-crowding for existing tenants – a problem which otherwise, is likely to worsen, both in scale and severity.

There are potential cost implications of making more transfers however:

- *This would create additional voids that will need to have void work carried out – this would increase the workload of the OCH void team and operatives – as well as increase void expenditure in proportion to the number of extra voids created*
- *There would also be a void rent loss associated with any property that is empty, and HRA budget assumptions would need to be reviewed. If a significant increase in voids is planned, then consideration would need to be given to ensure that void works are adequately resourced. If not, then this could result in longer void times. An adjustment to the OCH works programme and capital expenditure plans might also be required for such a change*
- *The allocation of letting of new voids will also generate additional work for the Allocations team and for Void Property Officers*

25. However, the above considerations have been checked in order to compile this report and the increased allocations percentages to the transfer list in 2007/08 have not had a significantly detrimental effect.

- The Voids Manager at Oxford City Homes has confirmed that the number of void properties this year has been approximately the same as last year
- As there has been no increase in the number of voids, there has not been any increase in void rent loss. In fact figures show a marked decrease in void rent loss (approximately 1.6% overall), due to a more effective overall re-letting process
- The number of new voids for letting has remained essentially the same (and generally similar to the expected numbers on the Lettings Plan 2007/08), so has not generated an unreasonable amount of additional work for Officers

26. Care should also be taken in making allocations of larger family dwellings (three and four bed properties). It is here that 'competition' is highest, particularly with the homeless list, and we need to ensure that groups with less housing need are not being housed above 'reasonable preference' groups, such as the homeless. To do so, would be against legislation and could result in challenge. Equally, effective monitoring systems need to be in place to ensure any shift in allocations did not indirectly discriminate against BME groups

27. A final group to consider is the **Move-on scheme**. This is a priority category within the General Register and comprises of single applicants that have been referred to the Council for re-housing through the Move-on Scheme. Referrals can be made from various projects – mainly the direct access hostels in the City. Approximately, 50 individuals per annum have been housed through this route over the two years prior to the 2007/08 Lettings Plan and this has helped prevent bed blocking in

- the hostels. This scheme has been reviewed with a view to reducing the number of clients accessing the scheme and the length of time they have to wait to be re-housed (now only waiting an average of about 1 year)
28. The current allocations percentages only allow for a total of 39 properties to be allocated to this scheme, due to the reduced number of 1-bed properties expected. This is due to the lower number of vacancies that have occurred in non-designated single accommodation and the fact that the majority of move on applicants are under 40. Also many non-designated properties are located in environments that may be unsuitable for vulnerable people with support needs (such as tower blocks). This is a considerable reduction from previous years & has caused concern about the ability to sustain effective move on from the hostels
29. There is concern over rough sleeping in the City, and agencies need to ensure that the frontline hostels can continue to help new clients. There is also recognition, that the Move-on scheme is not able to provide sufficient accommodation for all clients however, and other options, such as assisting clients access the private sector are increasingly being encouraged to help meet housing need. This has been effectively provided in part through the Home Choice Team, however the number of 1-bed private properties they are able to access is limited by the competitive private rented market in the city
30. An option may be to make **no change** to the current Lettings Plan and to leave the allocations percentages as they are. This would essentially maintain the status quo, but would not address the growing housing needs of the General or Transfer lists; the longer-term prevention of homeless issue; or the lack of mobility within the stock
31. One further option could be to **increase the percentage of allocations to homelessness list**. This will allow the Governments target to reduce number of households in TA by 50% by 2010 to be met and reduce the cost of TA to the Council more rapidly. However, the impact on the General, Transfer and Move On lists would be significant, as outlined. In addition, there is a risk that more people will be encouraged to present as homeless if this is the main way of eventually securing social rented accommodation in the city

Specific Proposals

32. Appendix 2 to this report shows the proposed Lettings Plan for 2008/09.

The Expected Lets figures (Council and RSL combined) are based on the lettings data for 2005/06; 2006/07 and 2007/08 (3rd quarter), and adjusted slightly for an increase in some voids created by the change to the transfer percentage allocation figures. Consideration has also been given to expected new build properties for 2008/09.

The plan details different (specific) targets for each size of family accommodation. It splits non-family accommodation into designated

elderly and non-designated accommodation – again with different targets

The main changes to the 2008/09 Plan are as follows:

- For 2-bed accommodation, it is proposed that the allocation to the general list is increased from 30% to 40%. This will result in about 32 more families being housed through this route in 2008/09. The allocation to the homeless list thereby falls from 55% to 45%, with only slightly less (about 7) households being housed from this list due to the expected increase in 2-bed vacancies gained through new build developments and more transfer applicants moving to larger family accommodation. Reducing the percentage of vacancies allocated to homeless applicants reflects positive practice described by CLG, & continues successful homeless prevention work. It is also proposed that allocation to the transfer list remain at 15% because demand for 2-beds from transfers is significantly lower than the general register (particularly low for 2-bed flats, which are the most frequently vacated property type)
- For 3-bed accommodation, it is proposed the general list percentage from 10% to 15%. The consequent 5% reduction (to 45%) in allocations to the homeless list is expected to have a negligible impact on waiting time in temporary accommodation due to less acceptances of families with a 3-bed need, although the changes proposed are expected to help more general applicants secure three bed accommodation in 2008/09. Acceptances of families needing 3-bedroom properties have fallen consistently over the last 2 years due improved options advice & referrals to the private sector. The proposed increase to the general list may also assist applicants who have opted to live in Home Choice accommodation rather than temporary accommodation and assist moving some on to settled accommodation, as they are registered on the general register
- For 4-bed accommodation (or larger) it is proposed to change to the percentages this year to reflect where the greatest demand is found (on the transfer and general register). The allocation of these properties to the homeless list will be reduced by 10% (to 40%) to allow an increase of 5% to both the transfer list (up to 50%) and general list (up to 10%). Due to an expected increase in the number of larger property vacancies for 2008/09 (due to new build properties expected to complete this year), this does not equate to a decrease in the number of properties allocated to each list. Each list will be allocated more properties than in 2007/08
- For non-designated accommodation, it is proposed that the allocation to all lists remain the same. This will enable an increase to 40% for the Move On list & a continuation of the allocation of 5% to the Move On II list (to assist in housing Care Leavers). There is expected to be a slight increase in non-designated properties available in 2008/09 (based on the 3rd quarter figures for 2007/08). This increase is not significant (due to no non-designated new build

1-beds being expected for the year) but will mean a increase in allocation to each list.

There is an acute shortage of non-designated properties available each year due to the high number of properties that are currently designated for people over the age of 40. If a significant proportion of these properties were de-designated, the current demand for the 18 – 40 years age group could be met, consequently reducing the cost and numbers of temporary accommodation units needed and allowing effective move on through hostels and easing the rough sleeping problem in the city. It would also start to make an impact on the 'hidden homeless/sofa surfing' problem faced by many people in the city

- For designated properties, no changes to the percentages are proposed. It is expected that there will be a slight increase in the number of vacancies in this property type as there is an 'active elderly' new build scheme expected this year. It is expected that the majority of these vacancies will be allocated to transfer tenants as a consequence of the pilot to de-designate an over 40's block; the older persons housing review and increased marketing of the under-occupation incentive scheme
 - For sheltered properties, there are no targets set due to a lower demand for this type of accommodation historically. However, there are expected to be a reduction in vacancies available during 2008/09 due to no planned new build's & the number of blocks affected (both in OCC an partner RSL's stock) by the older persons housing review
33. The increased shift to the general register for more two bed allocations is felt to be the area where there will be most impact in homelessness prevention, while not adversely affecting the waiting time in temporary accommodation for these (smaller) households
34. There is a risk however, that despite a continued fall in actual homeless acceptances that the change to CBL will lead to more people in temporary accommodation. This because the scheme relies on applicants to take ownership of their own re-housing by actively looking for advertised vacancies and bidding on them. This will be closely monitored though and support will be readily available for anyone experiencing difficulty with engaging with the new scheme. Advert labelling can also be used to ensure priority for allocation is given to homeless applicants
35. It is proposed that Housing Scrutiny Committee continue to be provided with allocations performance against this Lettings Plan on a quarterly basis

Financial Implications

36. The impact of housing more people (especially in two bed units) from the general list, thus removing the disincentive to 'stay put' and not present as homeless, has already contributed to a reduction in homeless acceptance rates
37. Assuming that it directly costs the Council £3,500 per annum to keep a homeless family in temporary accommodation, then it can be assumed that if approximately 5% less households from the homeless route are housed, the cost of this is approximately £23,000 per year
38. Any cost will be contained within the temporary accommodation budgets for 2008/09
39. Overall, the percentage targets detailed in the proposed Lettings Plan (Appendix 2) will have little impact on voids. Over the whole stock, (when considered with non-family accommodation) the change is likely to increase the number of voids by less than 5%
40. This fluctuation is not uncommon year to year in void turnover, and again, can be contained within existing budgets and HRA budget assumptions and expenditure forecasts

Legal Implications

41. The proposed changes accord with current legislation and guidance

Recommendations

42. That the potential impact of a change to the allocation percentages is considered and noted
43. That the Lettings Plan at Appendix 2 is recommended as the target allocation percentages for 2008/09

List of Appendices

44. Appendix 1 - Current Lettings Plan 2007/08 (showing 3rd quarter results)
45. Appendix 2 – Proposed Lettings Plan 2008/09

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Background papers: None

Appendix 1: Community Housing – Allocations percentages

Lettings & Nominations 2007/08

(1 April - 31 December 2007)

Family Accommodation							
Property Size		Homeless	Move-on	Transfer	General	TOTAL	
Two Bed	Percentage	52.7%	0.0%	15.3%	32.0%		
	Target	55%	0	15%	30%		
	Let	79	0	23	48	150	
	Expected lets	110	0	30	60	200	
Three Bed	Percentage	47.8%	0.0%	40.3%	11.9%		
	Target	50%	0	40%	10%		
	Let	32	0	27	8	67	
	Expected lets	55	0	44	11	110	
Four Bed+	Percentage	37.5%	0.0%	62.5%	0.0%		
	Target	50%	0	45%	5%		
	Let	3	0	5	0	8	
	Expected lets	7	0	6	1	14	
Non-Family (Non-Designated) Accommodation							
Property Size		Homeless	Move on	Move on 2	Transfer	General	TOTAL
Studio flat / One Bed	Percentage	50.7%	21.9%	1.4%	11.0%	15.1%	
	Target	50%	35%	5%	5%	5%	
	Let	37	16	1	8	11	73
	Expected lets	40	28	4	4	4	80
Designated Elderly Accommodation							
Property Size		Homeless	Move-on	Transfer	General	TOTAL	
Any Size	Percentage	26.8%		73.2%			
	Target	20%		80%			
	Let	19		52		71	
	Expected lets	22		88		110	
Sheltered Accommodation							
Property Size		Homeless	Move-on	Transfer	General	TOTAL	
Any Size	Percentage	2.2%		97.8%			
	Target	no target		no target			

Let	1	45	46
<i>Expected lets</i>	5	55	60

Total allocations:	415
Expected allocations:	574

Please Note: Expected lets relate to the full year but Total allocations relate to the first 3 quarters only

Appendix 2

Proposed Lettings Plan for 2008/09

Family Accommodation					
Property Size	Expected Lets	Proposed Target % (Expected households housed)			
		Homeless	Move-on	Transfer	General
Two Bed	230	45% (103)	0	15% (35)	40% (92)
Three Bed	120	45% (54)	0	40% (48)	15% (18)
Four Bed+	20	40% (8)	0	50% (10)	10% (2)

Non-Family (Non-Designated) Accommodation						
Property Size	Expected Lets	Proposed Target % (Expected households housed)				
		Homeless	Move-on	Move-on 2	Transfer	General
One Bed	100	50% (50)	35% (35)	5% (5)	5% (5)	5% (5)

Designated Elderly Accommodation					
Property Size	Expected Lets	Proposed Target % (Expected households housed)			
		Homeless	Move-on	Transfer	General
Any Size	130	20% (26)		80% (104)	

Sheltered Accommodation					
Property Size	Expected Lets	Proposed Target % (Expected households housed)			
		Homeless	Move-on	Transfer	General
Any Size	50	no target (2)		no target (48)	