

WANDSWORTH BOROUGH COUNCILHOUSING AND REGENERATION OVERVIEW AND SCRUTINY COMMITTEE –
6TH JULY 2016FINANCE AND CORPORATE RESOURCES OVERVIEW AND SCRUTINY COMMITTEE –
7TH JULY 2016EXECUTIVE – 11TH JULY 2016

Report by the Chief Executive and Director of Administration on the Council's plans to address housing needs, the allocation of social housing and its management of housing resources including a review of its acquired sales policies in 2016/17.

SUMMARY

This report sets out proposals on the allocation of housing resources in 2016/17 to ensure that the Council is maximising resources to meet identified housing needs, including for the temporary and permanent housing of homeless households. To support these proposals, the report forecasts housing supply and recommends an allocation plan for approval, adoption and monitoring by Members during 2016/17.

The report also provides forecasts for the use of temporary accommodation during the year and recommends rehousing targets for 2016/17 so the Council is able to demonstrate that it is effectively using resources available to meet its statutory duties relating to housing the homeless. The report also sets out the rationale for the allocation of social housing resources to a number of non-statutory rehousing queues and how these rehousing demands have been balanced against the Council's statutory housing responsibilities. The report also makes recommendations for changes to the Council's Housing Allocation scheme.

The report provides details of activity around former acquired homes in 2015/16. This covers the use of claw-back from sale and properties referred for sale during the year and details outcomes under the revised policy approach approved in Paper No. 15-198 a year ago, whereby consideration is given to the replacement of a vacant unit through purchase elsewhere so as to achieve either improved value for money and/or additionality.

Other home ownership initiatives available to Council tenants and Borough residents in 2016/17 and the anticipated benefits of these schemes to the Council and to the Borough generally are set out in the affordable housing update report (Paper No. 16-279) elsewhere on this agenda.

Performance against forecasts and targets will be regularly monitored by Members who will be able to consider any amendments recommended by the Director of Housing and Community Services as appropriate, to ensure that the Council is properly meeting its rehousing responsibilities and balancing these requirements against other policy and financial objectives.

The detailed comments of the Director of Finance can be found in section 5.

Annual housing resources and commitments for 2016/17GLOSSARY

AST	Assured Shorthold Tenancy
B and B	Bed and Breakfast
BRMA	Broad Rental Market Area
CLG	Communities and Local Government
COSTA	Council-Owned Supported Temporary Accommodation
DHP	Discretionary Housing Payments
DWP	Department for Work and Pensions
EEA	European Economic Area
EIA	Equality Impact Assessment
EU	European Union
GLA	Greater London Authority
HALS	Housing Association Leasing Scheme
HB	Housing Benefit
HPG	House Purchase Grant Scheme (Portable Discounts)
HRA	Housing Revenue Account
LHA	Local Housing Allowance
NGS	New Generation Scheme
NHHG	Notting Hill Housing Group
OOB	Out of Borough
PLA	Private Licence Agreement
PRS	Private Rented Sector
PRSO	Private Rented Sector Offer
PSHI	Private Sector Housing Initiative
PSL	Private Sector Leasing
PTT	Permanent as temporary (accommodation)
RSL	Registered Social Landlord
RTB	Right to Buy
SHMA	Strategic Housing Market Assessment
SSA	Shared Staffing Arrangement
SSSC	Social Sector Size Criteria
SPSS	Stay Put Stay Safe
TLC	Tendered Leasing Contract
TWBC	Total Welfare Benefit Cap
UASC	Unaccompanied asylum seeking children
UC	Universal Credit
UK	United Kingdom
UKBA	United Kingdom Border Authority

RECOMMENDATIONS

1. The Housing and Regeneration Overview and Scrutiny Committee are recommended to support the recommendations in paragraphs 3(a)-(s) and the Finance and Corporate Resources Overview and Scrutiny Committee are recommended to support the recommendations in paragraph 3(s)-(t).
2. If the Overview and Scrutiny Committees approve any views, comments or recommendations on the report, these will be submitted to the Executive or General Purposes Committee for information.
3. The Executive is recommended to recommend to the Council:-

Recommendations relating to Sections 1 and 2:

- (a) to note the final outturn position on homelessness in respect of homelessness demand in 2015/16 and in respect of the number of households accommodated in various forms of temporary accommodation at 31st March 2016 (paragraphs 8 to 16 and paragraph 26);
- (b) to note the continued high levels of new homelessness demand generally, and specifically from the private rented sector during 2015/16 (paragraphs 17 to 19) and improved performance in that year around homelessness decision making (paragraphs 20 to 25);
- (c) to note levels of use of bed and breakfast generally, and for families with children specifically, the reasons for that and to note the position generally about the location and quality of temporary accommodation for the homeless in use at 31st March 2016 (paragraphs 27 to 35);
- (d) to note activity during the year 2015/16 regarding the purchase of large properties for use as temporary accommodation (paragraphs 42 and 43);
- (e) to note that the average period spent in temporary accommodation by those rehoused in the year was increased compared to the previous year, in view of increased demand during the year (paragraph 44 and table 10);
- (f) to note the final outturn position on homelessness prevention activity and other homelessness issues in 2015/16 (paragraphs 47 to 52 and Table 1);
- (g) to note the comparative position across London in relation to the use of temporary accommodation (paragraphs 54 to 56);
- (h) to note the possibility of legislative change to homelessness provisions during 2016/17 (paragraph 58);
- (i) to note the contextual background around the risk of increased homelessness demand and around other homelessness related activity in 2016/17 and the intention to bring further recommendations forward if significant homelessness demand due to the previous and forthcoming reforms around welfare benefits, or for other reasons, manifests itself during the year (paragraphs 59 to 75);

Annual housing resources and commitments for 2016/17

- (j) to approve the various forecasts for the use of temporary accommodation during 2016/17 for both statutory homeless households (paragraphs 76 to 82 and Tables 2 and 3) and for asylum seekers and other destitute persons (paragraphs 124 to 126);
- (k) to approve a target of 574 accepted homeless households receiving an offer of accommodation to bring the full duty to an end, during the year, to include an offer of a PRSO wherever possible (paragraphs 83 to 88);
- (l) to note the position in terms of future procurement of non bed and breakfast temporary accommodation under the Private Sector Leasing Scheme during 2016/17 and note the Director of Housing and Community Services' view that, in the light of various challenges arising from welfare benefit reform, procurement wholly within the Council's own district may not be reasonably practicable (paragraphs 89 to 90);
- (m) to note the continuing, significant number of larger households accepted for the main duty in 2015/16 albeit that they reduced compared to previous years and the range of measures to meet that category of demand (paragraphs 93 to 114 Tables 4-7);
- (n) to approve the targets for homelessness prevention activity in 2016/17 (paragraphs 118 to 121 and Table 8);
- (o) to note the final outturn position in 2015/16 around performance against that year's resources and commitments forecasts, including details of waiting times for those rehoused and of numbers registered on the housing queues at the end of the year (paragraphs 136 to 161 and Tables 9, 10 and 11);
- (p) to approve the resources forecast for 2016/17 and the commitments forecast for 2016/17 (paragraphs 162 to 179, Table 12 and Appendices 3 and 4);
- (q) to consider the EIA Appendix 8 and to approve in principle, subject to consultation lasting 6 weeks with registered providers and other organisations listed on the Housing and Community Services Department's consultation database, the various changes to the Housing Allocation Scheme proposed as are detailed in Appendix Z, and to note that a report will come to the September 2016 cycle. That report will cover the outcome of that consultation, any amended recommendations around the content of the scheme, an EIA on the impact of those final recommendations and a proposed effective date and implementation strategy, as necessary (paragraphs 180 to 192);
- (r) to note developments around the various National Mobility Schemes and outcomes achieved during 2015/16 (paragraphs 193 to 200);

Recommendations relating to Section 3 – former acquired properties:

- (s) to approve the continuation of the revised policy around the sale of former acquired properties, as approved a year ago via Paper No. 15-198, noting activity during 2015/16 (paragraph 202 to 211) and to confirm delegated authority to the Director of Housing and Community Services to purchase accommodation under those policies; and

Annual housing resources and commitments for 2016/17

- (t) to approve a Housing Revenue Account positive capital budget variation of £5.3 million in 2016/17 only, for the purchase of replacement larger units aimed at increasing the supply of larger family units to help to meet rising demand or through the purchase of decant units in and around the regeneration scheme areas.

INTRODUCTION

4. This report is set out in six sections:-

Section 1 - homelessness review
Section 2 - resources and lettings review
Section 3 - former acquired properties and sales activity
Section 4 - legal issues
Section 5 - financial implications
Section 6 - report summary and conclusions

This is accompanied by eight Appendices: -

- Appendix 1 – 2015/16 homelessness demand and assessment
Appendix 2 – 2015/16 temporary accommodation and permanent rehousing
Appendix 3 – 2015/16 resources forecast and actual and 2016/17 resources forecast
Appendix 4 – 2015/16 commitments forecast and actual and 2016/17 commitments forecast
Appendix 5 – Housing Act 1996, Children Act 2004, Homelessness Code of Guidance (2006) and Supplementary Guidance (2012)
Appendix 6 – Proposed NRPf rates effective 1st August 2016
Appendix 7 - Draft revised Housing Allocations Scheme
Appendix 8 - Equalities Impact Assessment re Appendix 7

BACKGROUND

5. The Council carries out an annual review of housing needs, housing allocations and its sales plans to ensure that it continues to meet its statutory and regulatory housing responsibilities, maintains a viable Housing Revenue Account (HRA) business plan and meets wider Borough objectives set out in the Council's Sustainable Communities Strategy published in 2008. That strategy provides the basis for the development of more detailed housing policies and plans with annual actions being identified against these objectives in the Council's key issues action plan.
6. The most recent review was undertaken at this time last year and its findings and recommendations were set out in Paper No.15-198 that was approved by the Council in July 2015.

SECTION 1: HOMELESSNESS ISSUES

7. The following section sets out the Council's plans to meet its responsibilities to prevent and provide advice, assistance and accommodation to homeless households as required by the Housing Act 1996 Part VII (as amended by both the Homelessness Act 2002 and, more recently, by the Localism Act 2011).

Annual housing resources and commitments for 2016/17**2015/16 – the year in review**

8. By way of historical context, between 2004/05 and 2009/10, the Council achieved a 72 per cent reduction in its use of temporary accommodation for statutory homeless households which, compared to the position at December 2004, was the largest percentage reduction amongst all London boroughs. Temporary accommodation at 31st March 2010 stood at 435 households accommodated across all forms of accommodation. However, in 2010/11 through 2014/15 increased homelessness demand was seen which resulted in increased use of temporary accommodation that, at 31st March 2015, stood at 1,057 households accommodated across all types of temporary accommodation.
9. Paper No. 15-198 approved a recommendation of closing 2015/16 with 1,307 households accommodated, with that forecast predicated on an 'intake' into temporary accommodation during the year of 750 'net' admissions and an 'outflow' from temporary accommodation of 500 accepted homeless households being rehoused, having accepted an offer made under the Housing Allocation Scheme.
10. As set out in Appendix 2, 2015/16 saw steady rises in the use of temporary accommodation against that forecast during the year, with numbers rising in all but two months of the year but with sharper rises in the final quarter of the year from an opening position at the beginning of April of 1,057.
11. The trend seen over recent years in high levels of homelessness arising from the Private Rented Sector (PRS) continued during 2015/16 and is echoed regionally, sub-regionally and nationally. In England, as per the Communities and Local Government's (CLG's) 'December 2015' statistical release on homelessness (the most recent release available), the loss of an assured short-hold tenancy was the single biggest reason for acceptance of the full duty in 31 per cent of cases across the whole of England, with this reason for homelessness now being the most common reason for 15 consecutive quarters.
12. The position is worse in London where the same statistical release confirms that the loss of an assured short-hold tenancy was the reason for acceptance of the full duty in 40 per cent of cases. In Wandsworth, in 2015/16, 50 per cent of households accepted for the full duty were homeless for this reason, slightly up on the previous year.
13. In London, between April 2015 and December 2015, the use of temporary accommodation increased by just under five per cent from 48,238 placements to 50,006 (out of a total across England of 69,140), with 25 of the 32 London boroughs (excluding the Corporation of London) reporting increased numbers over that period. The change over that period ranges from minus seven per cent (Camden) to +25 per cent (Harrow). The Council's was +11 per cent, almost exactly the same as both Lambeth and Croydon.
14. In Wandsworth, during 2015/16, 1,231 households approached the Council presenting themselves at risk of homelessness; an increase of 1.5 per cent against the previous year. Cases admitted to short-term temporary accommodation under the 'interim' duty were 2 per cent lower than the previous year (1,068 compared with 1,088). Generally speaking, homeless demand was at similar levels to the previous year which is in contrast to the previous 5 years which saw year on year increases.
15. 'Net' admissions in temporary accommodation (those admitted into temporary accommodation but excluding those subsequently refused the main duty) were again at very similar levels to the previous year 2014/15 (757 compared to 749) but some twenty

Annual housing resources and commitments for 2016/17

three per cent higher than in 2011/12 (757 compared to 582).

16. Cases accepted under the 'main' duty, 855 compared with 787 cases in 2014/15, increased by eight per cent. The main duty was not accepted in 382 cases, compared with 332 in the previous year, an increase of 13 per cent.
17. With regard to the main causes of homelessness, 2015/16 was notable for a continuing trend in terms of homelessness arising within the PRS, where tenants generally have assured short-hold tenancies (ASTs) which offer only limited protection from eviction and where, amongst those seeking assistance from the Council as homeless, rental costs are very often met (partially or wholly) with the assistance of Local Housing Allowance (LHA).
18. In 2015/16, homelessness as a result of the end of an AST was 50 per cent of all cases accepted which represents a slight percentage increase, compared to 2014/15, when homelessness as a result of the end of an AST was 48 per cent of all cases accepted. The preceding two years show 52 per cent in 2013/14 and 43 per cent in 2012/13.
19. 2015/16 was the seventh year of significant homelessness for this reason, given that this cause of homeless was previously very much marginal at just 13 per cent in 2009/10. The other main reason for homelessness acceptance in 2015/16 include family and friends' exclusions (28 per cent) with all other reasons combined making up the balance.
20. Performance in relation to the assessment of homelessness applications fell short of targets set a year ago with 54 per cent of statutory decisions made within 33 working days compared to (a) a target of 60 per cent but also to (b) 39 per cent in the previous year and (c) to the Code of Guidance (at paragraph 6.16) which recommends that, wherever possible, authorities should aim to assess homelessness applications within 33 working days. The shortfall against target was as a direct result of the factors described in the paragraphs that follow.
21. However, and more generally, as regards that part of the statutory guidance, the Director of Housing and Community Services has had regard to it but considers that the recommendation in the Code, which applies to all councils across England ranging from those with minimal levels of homelessness to those such as Wandsworth with perennial and increasing pressures, is unrealistic in the current local context as set out throughout this report.
22. However, Members will wish to note that, in 2015/16, the average time to conclude the assessment of homelessness applications decided during the year was 48 working days, compared to 60 in the previous year. The shortfall in performance against the 33 day target in 2015/16 was due to the significant number of cases dealt with during the year and, to a lesser extent, to the fact that the higher incidence of homelessness from the PRS necessitates more enquiries than was, generally speaking, needed when dealing with friend and/or family exclusions, which used to be the single most common cause of homelessness.
23. Further, during the year, there was some turnover of staff and vacant posts have latterly been filled by temporary staff in advance of proposals for the shared staffing arrangement with the London Borough of Richmond-upon-Thames (Paper No. 16-138).
24. Performance against target improved during the year with the running caseload of cases under assessment much reduced to stand at a total of 112 at the end of March 2016

Annual housing resources and commitments for 2016/17

compared to 183 at the end of April 2015; a decrease of forty per cent. It is expected that performance will continue to improve through 2016/17, to meet or better the 60 per cent target working towards implementing the revised structures approved for Housing Services as part of the shared staffing arrangement during the 2nd half of the year.

25. Appendix 1 to this report sets out the year-end position around homelessness demand and the assessment of applications in full.
26. In relation to the use of temporary accommodation, 2015/16 closed with 1,309 households (all sizes) across all forms of temporary accommodation, (against a revised forecast of 1,307) including 152 housed in bed and breakfast (B and B) accommodation of which 57 were families with children. Family households should only be accommodated in B and B for a maximum six week period, except where the placement is made at the Council's discretion e.g. during a review or appeal against refusal of the main duty (see further at paragraph 29 below).
27. During the whole of 2015/16, 105 separate families were accommodated in B and B accommodation for longer than six weeks, with the average time of 9 weeks and a longest time of 29 weeks. The number of families placed in such accommodation at the end of each month during the year is set out within Appendix 2 and ranged from 5 at the end of May 2015 to 17 households at the end of March 2016. The year closed with 17 families in B and B for longer than six weeks which was unfortunately the highest during the year, reflecting both demand in the 4th Quarter and that offers of other accommodation made during the latter part of March are not occupied by month end. For context and reassurance, all seventeen households were under offer of alternative non bed and breakfast accommodation at month end.
28. The use of B and B generally, and for families in particular, during the year remained more or less stable which, in the context of the overall global rise in the use of temporary accommodation and of increased homelessness demand was a notable achievement by the teams concerned. Further, it is notable that, as a percentage of all temporary accommodation, bed and breakfast use represented 19 per cent at March 2010 but 12 per cent at March 2016. However, the continuing use of B and B for families with children remains certainly the most concerning feature in 2015/16.
29. A minority of those households (including the longest stayer) were accommodated at the Council's discretion pending either a statutory review under s202 or an appeal under s204 of the Housing Act 1996 and, as such, were outside the terms of the Homelessness (Suitability of Accommodation) (England) Order 2003. Members will recall that that Order 'outlaws' the use of B and B accommodation for families with (or expecting) children, except in an emergency and then for no more than six weeks. Where families remain in B and B for longer than six weeks (unless outside of the terms of the Order), it is important to note that the Council is not discharging its duties lawfully as the Order offers no flexibility or room for its' application to be shaped by the context. Appendix 2 to this report sets out the year-end position in full.
30. The increased use of temporary accommodation in 2015/16 in line with the forecast(s) approved last year was again because of high new homelessness demand generally, from the ending of ASTs particularly and specifically because of increased family case demand during the year. Other factors in play include difficulties in procuring sufficient numbers of Private Sector Leased (PSL) units, the slow down in properties secured for the prevention of homelessness under the Private Sector Housing Initiative (PSHI) and

Annual housing resources and commitments for 2016/17

Out of Borough (OOB) schemes and, of greatest significance, the shortfall against the overall resources forecast generally as detailed further below.

31. Lastly, it will also be noted that the overall, average time spent in B and B during 2015/16 by all families with children placed into such accommodation for any length of time was actually 6.12 weeks, compared to 5.43 weeks in the previous year 2014/15.
32. The reality in 2015/16 was, therefore, that, in the face of increased homelessness demand, more families were admitted into B and B and, although the average time in such accommodation increased slightly, a still significant number stayed longer than six weeks, albeit that some did so on a discretionary basis following refusal of the main duty.
33. It will be noted that the revised forecast for the level of temporary accommodation proved accurate but that, within that, the forecast for B and B use, was not met albeit that number reduced overall across the year. It should also be noted that B and B use remains prohibitive in terms of General Fund costs, in that the maximum Housing Benefit (HB) subsidy level for B and B is set at the applicable single person rate, regardless of the size of household placed into such accommodation.
34. The various targets, strategies and measures recommended around homelessness and the use of temporary accommodation in 2016/17 are intended to mitigate and reduce the Council's reliance on B and B type accommodation to a minimum so as to comply with the requirement of the suitability order detailed above. As previously mentioned, this has proved problematic in recent years and may do so again in 2016/17 if homelessness demand were to increase further, if the pattern of that demand involves any particularly sharp spikes and/or if those targets, strategies and measures are not accurate and/or not delivered in full.
35. However, the trend over 2015/16 showed a stable level of use above six weeks (excluding March 2016) and, in fact, it is often the case that, as families enter their seventh week in such accommodation, they have accepted, or are under offer of, non bed and breakfast type temporary accommodation. The use of bed and breakfast for families is particularly sensitive to the peaks and troughs of demand and supply but it is expected that, during 2016/17, the use of bed and breakfast will be further reduced to ensure compliance with the terms of the order.
36. The reason for the overall increase in the use of temporary accommodation for the homeless at year-end was the increase in homelessness demand seen during the year referred to above. In Paper No. 12-64 (January 2012), it was reported that, under existing delegated authority, the Director of Housing had decided to increase the number of general needs units of (permanent) social housing used as temporary accommodation for the homeless. This was intended to mitigate, insofar as possible, the increase in B and B use and this continued through 2015/16 with 251 such units occupied by homeless families (almost all with children) by year end compared to 187 units occupied at the beginning of the year. This measure will continue to be applied during 2016/17 as detailed further below.
37. By 31st March 2016, against a forecast of 500 homeless rehousing (into both the social and private rented sectors) during the year, 494 had been offered and accepted by homeless households bringing that duty to an end. Additionally, 24 offers were made to accepted homeless families but were not (yet) accepted at the end of March 2016. The near full achievement of the forecast for homeless rehousing was a consequence of the

Annual housing resources and commitments for 2016/17

over achievement against the global resources forecast, as explained in more detail in paragraphs 136 to 140.

38. In terms of the quality and location of temporary accommodation used by the Council in the performance of homelessness duties, 65 per cent of all temporary accommodation used at the close of the year was located within the Borough, with a further 24 per cent located in other south west London boroughs (principally the adjacent boroughs of LB Croydon and LB Lambeth), with 10 per cent elsewhere in London and just 1 per cent accommodated outside of London. The majority of out of borough placements comprises B and B and/or annex type accommodation, of which there is a very limited supply within the Borough, occupied on a spot purchased basis often at short notice. Out of the 1,309 placements made at the end of March 2016, 157 were in B and B whereas the other 1,152 (or 88 per cent) were spread across other types of temporary accommodation, which, by a large majority, provide self contained accommodation.
39. Also of interest from the CLG's December 2015 homelessness release is the fact that Wandsworth makes relatively low use of 'out of borough' temporary accommodation amongst the inner London boroughs; the 5th lowest amongst those twelve boroughs with the lowest being Lewisham with 22 per cent and the highest being the Royal Borough of Kensington and Chelsea with 72 per cent placed out of borough.
40. A feature of the year was the continued significant use of what is commonly known as 'B and B annex' accommodation. These are self contained flats let out by (mainly) B and B providers on a nightly rate basis; at 31st March 2016, 45 such units were occupied compared to 55 at the beginning of the year. During recent years, rates charged for such accommodation had increased but working collaboratively with others boroughs, rates began to reduce in the latter part of 2014/15 and remained stable through 2015/16.
41. The portfolio of self contained temporary accommodation includes 236 households occupying units within the Council's own hostel stock, for example at Nightingale Square (Nightingale), at Edwin Trayfoot Lodge (Latchmere) and at Carnie Lodge (Bedford) compared to 230 at the beginning of the year. The increase reflects the completion of conversion works at Battersea Park Road (Latchmere) to create 7 new large units of self contained hostel accommodation and the letting of those units in late summer 2015. It also includes 287 households in privately leased accommodation, compared to 191 at the beginning of the year and, as mentioned above, 251 in Council short term accommodation.
42. In Paper No. 14-413, the purchase of properties on the open market, using HRA capital funding, for use as temporary accommodation was approved, as part of the response to the significant increase in large family homelessness in recent years which, as detailed below, continued in 2015/16, albeit at a reduced pace than that in previous years. During that year 19 properties were purchased of which 11 were within Wandsworth and 8 outside the borough boundaries. In total 3 x 5 beds, 4 x 4 beds and 1 x 3 beds were acquired outside of the borough. The five beds were acquired in Reigate and Banstead, Kingston and Croydon, the four beds were acquired in Mole Valley, Reigate and Banstead, and Crawley. The only three bedroom unit was acquired in Epsom. A number of these properties have multiple reception rooms which can be utilised as additional bedrooms where required.
43. Eleven properties were acquired within the Borough of Wandsworth. The portfolio consists of 2 x 1 bedroom flats, 4 x 3 bedroom flats, 1 x 3 bedroom house, 2 x 4 bedroom

Annual housing resources and commitments for 2016/17

flats, 1 x 4 bedroom house and 1 x 5 bedroom flat. Of these units five are in close proximity to the Winstanley / York Road regeneration area. A further three units are located within the Alton estate. All will be initially used as temporary accommodation ahead of providing local decant rehousing opportunities once the phasing of the re-provision, decanting and demolition process gets further advanced.

44. The average time spent in temporary accommodation (all forms) was 14 months for households accepted for the main duty and who were rehoused into both the Council's own stock and into other registered providers' stock during the year, which was higher than was the case in 2014/15 (13 months).
45. Further, the average time for all households who left temporary accommodation during the year (including those accepted for the main duty and rehoused as well as those refused the main duty) was also higher at 12.5 months (8.7 months in 2014/15).
46. The increased waiting times are the inevitable consequence of both increased levels of homelessness admissions and acceptances over recent years, of the changed profile in terms of household composition amongst those accepted for the full duty, with very many more large households and the relative slowdown in the supply of properties becoming available, from all sources, for offer to bring that duty to an end.
47. In relation to homelessness prevention, 2015/16 was another difficult year, again in view of rising homelessness demand and a falling away in the number of landlords prepared to accept nominations from the Housing Options Service. Moreover, the guidance given by the Supreme Court in the case of *Nzolameso v Westminster City Council* (Judgment 2nd April 2015), concerning how local authorities fulfil their duty under s208(1) of the Housing Act 1996 'so far as reasonably practicable' to secure accommodation within their own district, made the sourcing of, and reliance upon, a Private Rented Sector Offer (PRSO) to bring an accepted homelessness duty to an end much more problematic.
48. For 2015/16, a combined target of 175 'preventions' was set for the PSHI, OOB and Stay Put Stay Safe (SPSS) schemes. Outturns by the close of the year were as set out in Table 1 below.

Table 1

Prevention scheme	2015/16 forecast	2015/16 actual
SPSS	50	58
PSHI (including PRSOs)	100	29
OOB	25	12
Total	175	99

49. The reasons behind the falling away in the volume of properties being accepted as an option to prevent homelessness are exclusively a supply side issue with fewer landlords willing to work with the Council. Anecdotally, it is understood that this is in common with other boroughs in the south west London sub region and that a significant factor has been ongoing nervousness on the part of landlords around continuing to let to tenants who are, in the most part, reliant on successfully claiming welfare benefits, in particular LHA (also known as HB), in view of the wider context of welfare reform. The buoyant private rental market for people not reliant on welfare benefits is also thought to be a factor.

Annual housing resources and commitments for 2016/17

50. In relation to the OOB scheme, the same reasons apply to the lower than forecast level of activity seen in 2015/16. For the last few years, properties moved to have been more or less exclusively taken up by the Council's own tenants seeking to move away from the Borough for family, employment or other reasons. The 12 households moved under the scheme during the year re-located to places such as Kent, West Sussex, Hampshire, Yorkshire and Cardiff.
51. As mentioned above, the proportion of accepted homeless households whose homelessness arose from the PRS remained by some margin the single biggest cause of homelessness in the borough. During the year, and prior to any homelessness assessment being completed and the full duty being accepted, applicants continued to have an unfettered choice to reject an offer of suitable PRS accommodation. It is perhaps not surprising that many applicants expressed reluctance or a refusal to consider being assisted in this way if a greater percentage of applicants have recently become homeless from this sector. The use of PRSOs to bring the main duty once accepted is reported and discussed below.
52. In respect of the SPSS scheme, whereby households at risk of homelessness through domestic or other violence are assisted to remain in their current home, via multi-agency working and with enhanced security measures, there were 58 cases completed during the year, compared to 70 in 2014/15, overachieving against target.
53. In respect of youth homelessness, the use of B and B for 2016/17 year old applicants under the terms of the Housing Act (as opposed to the Children Act) was kept to an absolute minimum during the year. In 2015/16, the range of numbers in B and B was between none and seven at any one time, with those young people placed there in an emergency and then for very short periods of time. Between August 2015 and March 2016, only one young person was placed into bed and breakfast with no placements at all after August.
54. Notwithstanding the problematic issues discussed above, the Council's position in relation to the use of temporary accommodation for the homeless during 2015/16 compared favourably with the results found in London as a whole. The most up to date figures on the use of temporary accommodation (available from the P1(E) statutory homeless returns posted on the CLG website) are those as at 31st December 2015, when Wandsworth (with 1,139 placements) had the 19th lowest number of households in temporary accommodation out of the 32 London boroughs (excluding the City of London). The position a year ago saw Wandsworth as the 20th lowest user of temporary accommodation.
55. The boroughs with lower numbers than Wandsworth (in addition to the City of London which is not a borough) were: London Borough of Merton (167), Richmond upon Thames (241) London Borough of Sutton (372), London Borough of Camden (426), London Borough of Greenwich (427), London Borough of Hillingdon (574), London Borough of Kingston (599), London Borough of Havering (659), London Borough of Bexley (769), London Borough of Harrow (789), London Borough of Islington (924), London Borough of Hounslow (1,073) and the Royal Borough of Hammersmith and Fulham (1,123). Of the twelve inner London boroughs, the Council's was the fifth lowest.
56. The period March 2015 to December 2015 shows a consistent picture across London with 25 of the 33 London boroughs seeing their use of temporary accommodation increase with just 8 seeing their use decrease. The range was between minus 219

Annual housing resources and commitments for 2016/17

placements and plus 569 placements. The change over that period range from minus seven per cent (Camden) to +25 per cent (Harrow). The Council's was +11 per cent, almost exactly the same as both Lambeth and Croydon. As mentioned above, trends in terms of the number of households accepted both nationally and regionally are on an upward trend.

57. In summary, 2015/16 proved to be another challenging year in which significant levels of homelessness demand continued, in common with wider trends, along with a reduction in the supply of self-contained temporary accommodation and of PRS accommodation available to prevent and address homelessness. Demand was at very similar levels to the previous year coming after five years of year on year increases; although it would be unwise to assume that the trend line has or will flatten. The use of bed and breakfast, generally and for families with children did not reduce as forecast but did not increase in terms of gross numbers and actually reduced as a percentage, reflecting well on the teams involved, when seen in the proper context as set out in above.

2016/17 – issues for the current yearPossible reform of Homelessness duties

58. In December 2015, the Housing Minister announced that Government would work with homelessness organisations and across government departments to explore options, including legislation, to prevent more people from facing a homelessness crisis in the first place. At the time of drafting this report, the Parliamentary Communities and Local Government Committee was carrying out an inquiry into homelessness, and took oral and written submissions in February through April 2016. Once the Committee's conclusions are promulgated and, if they lead to changes to homelessness provisions, these will be reported to this committee as soon as possible.

Contextual background

59. Given the longer term trends of increased levels of homelessness demand and increased use of temporary accommodation, including at the end of 2015/16, there are a number of reasons why homelessness demand may be assumed to be likely to continue to run at significant levels during the (now) current year, given that the Council has again entered the year on an upward trend.
60. 2015/16 was characterised by continuing significant homelessness demand and this will not have been limited to this Council. Nationally, regionally and sub regionally, the number of homeless households accepted for the 'full duty' has increased as has the use of temporary accommodation. 2015/16 was the sixth consecutive year when homelessness has been increasing coming after a number of years when homelessness demand was generally decreasing. There are a number of risks and threats around a continuing and perhaps steeper rise in homelessness and the use of temporary accommodation in 2016/17.
61. Risks around continued high levels of homelessness demand include any consequences in terms of increasing homelessness arising from any further deficit reduction/welfare reform programmes. The roll out of Universal Credit (UC) remains restricted to single people, who would normally claim job seekers allowance, across the Borough and not to family households; the timeline for which remains unconfirmed.

Annual housing resources and commitments for 2016/17

62. However, because temporary accommodation placements cross borough boundaries, there are some areas, notably in Croydon, where the roll out of UC is more advanced, potentially impacting significantly on rent collection levels and temporary accommodation arrears, if monies paid direct to the homeless family are not paid onto the Council. It is too early to quantify the risk of this but officers will need to finalise procedures for the early identification of such cases and for implementing such remedial measures as may be possible.
63. Moreover, the current LHA levels are not keeping pace with rents being charged elsewhere in the borough for tenants not needing to seek LHA/HB support in meeting rental obligations. This coupled with the fact that the LHA claimant caseload has begun to reduce suggests that the LHA reliant housing sub sector may be reducing and that that local landlords may increasingly look to leave that sector in future.
64. Further, there are two previous major welfare benefit reforms, that came into effect during 2013/14 and which continue to carry the potential to cause homelessness in 2016/17.
65. The first of these is the Social Sector Size Criteria (SSSC) which took effect from April 2013 and which reduces automatically the level of HB to those below pensionable age (or otherwise not exempt) living in the social housing sector who occupy 'too large' accommodation for the current household composition. It will be recalled that HB is reduced by 14 per cent where the household have one bedroom more than their assessed need and by 25 per cent where they have two or more bedrooms too many. Locally, there remain 950* Council tenants losing an average of £24.70 in HB per week and 469* registered provider tenants losing an average of £23.42 in HB per week affected by this (*figures as at 11th April 2016).
66. During 2013/14, in 2014/15 and again in 2015/16, no household affected by the SSSC was evicted as a direct result of the SSSC and the general policy for Council tenants is that eviction action will be abated and/or Discretionary Housing Payment (DHP) awarded as long as the affected household is engaging with the Council to move to right sized accommodation or is otherwise taking steps to fully occupy their home. During recent years including in 2015/16, as detailed below, an increased number of under-occupying households were assisted to move and the Allocations Plan recommended as a part of this report makes reasonable provision for such moves in 2016/17.
67. The second welfare benefit reform that took effect in 2013/14 and which continues to have the potential to impact in the current year is the Total Welfare Benefit Cap (TWBC) that saw the maximum weekly income any household with children that is below pensionable age (or otherwise unexempted) that is not working at least 24 hours per week can receive in benefits capped at £500 per week, including HB. It is also worthy of note that the government will reduce the total welfare benefit cap to reflect £23,000 per annum, as opposed to £26,000 as presently applied, which is expected to come into effect in the Autumn of 2016.
68. As members will recall, this reform went live in Wandsworth in August and September 2013 and, locally, although in excess of 1,100 have been subject to the cap at some point since implementation, the 'running' caseload of capped households has settled at a reduced level of around 296 (much lower than the original estimate of circa 875 affected households provided by the Department for Work and Pensions (DWP) and indeed lower than the 450-500 households in the rolling caseload that emerged in the months immediately after rollout).

69. However, amongst the 296 or so households there is currently an average loss in HB of £56.20 per week. It will be recalled that HB is the first form of benefit that will be reduced, down to a residual level of £0.50 per week if necessary, and it is very notable that around 55 per cent of the households believed to be affected live in the PRS, with only limited security of tenure allowing landlords to recover possession within a relatively short timescale if they are minded to do so.
70. As such, any risk of increased homelessness as a result of the SSSC can perhaps be assumed to be less than significant in 2016/17. However, it may be the case that as 2016/17 progresses, homelessness presentations from households affected by the reduced level of TWBC will begin to be seen, although it remains impossible to attempt to quantify how many and by when but it seems prudent to expect that a significant minority of those households subject to the cap and/or reduced cap may subsequently apply for statutory homelessness assistance. As a general point, where eviction was due to rent arrears that are attributable, upon investigation, to the reduction in benefit as opposed to a default by the tenant, a finding of intentional homelessness is unlikely.
71. Given these potential risks it is reasonable to assume that there will be a continuing and significant rate of homelessness from the local private rented sector with the likelihood being that larger family cases would be more susceptible to (statutory) homelessness, given the larger reductions in benefits applicable to larger households including potential readjustments of the total welfare benefit cap. In turn property released is likely to be let to a different and more affluent market including sharers and those who cannot move into home ownership. This has been the experience in 2011/12 through 2015/16 and 2016/17 brings a real prospect that this effect will continue. The forecast of 750 net admissions in 2016/17 has been developed on this raft of assumptions.
72. To illustrate this, it is noteworthy to compare the number of accepted 'full duty' cases on the homeless queue needing four, five, six or seven bedroom rehousing. In February 2012, there were seven such cases registered, whereas, at the end of February 2013 there were 20, which rose to 57 at the end of February 2014. At the end of February 2015, the figure had risen further to stand at 82, including 33 needing five/six/seven bedroom rehousing and stood at 110, including 36 needing five/six/seven bedroom rehousing, at February 2016.
73. In summary, the dominant issue in 2016/17 will continue to be whether and, if so, by how much, how fast and in what way homelessness further increases and to what extent the Council can minimise and mitigate any such rise. During 2010/11 through 2015/16, net admissions into temporary accommodation significantly increased and have remained at that increased level.
74. In turn, any such increases may further pressure on the homelessness spend, following past achievements in reducing the use of temporary accommodation by the largest percentage in London during the period 2004/05 to 2009/10.
75. If it should be the case that any further significant increase in homelessness demand, and particularly in respect of larger households needing four bedroom or larger dwellings upon rehousing, is attributable to the ongoing welfare benefit reform programme set out above, recommendations as to the scope for, and the detail of, possible remedial action will be made with appropriate urgency.

Annual housing resources and commitments for 2016/17Forecasts for the use of temporary accommodation

76. In view of these issues and of the rise in the use of temporary accommodation in 2015/16, it is recommended that once again a high forecast for net admissions during 2016/17 of 750 be approved, which is similar to that seen in the previous two years but far higher than was the case earlier in the current decade. This assumes that homelessness demand, as measured through net admissions in temporary accommodation under statutory duties will not reduce during the year but will rather remain at levels seen in 2015/16, which itself represented an increase of ten per cent on the 2013/14 outturn (and of 38 per cent compared to 2010/11) and to seek to offset that level of intake, as far as possible, by a significant number of lettings to the homeless under the allocations scheme and including, where possible via PRSOs. Although homelessness demand, as measured by net admissions, has been rising over recent years it stabilised during 2015/16 and, as such, a forecast of 750 during the year is considered both realistic and reliable.
77. As the final cohort of homeless families in temporary accommodation at 31st March 2016 was 1,309 it will need 574 'permanent' offers to be accepted by homeless households in 2016/17 to see that year close with 1,485 households accommodated in temporary accommodation; a forecast of a net rise of 175 placements over the year.
78. Accordingly, it is recommended that the following forecasts in Table 2 below for (a) homelessness intake and outflow through the Council's re-housings and (b) for the use of temporary accommodation be approved.

Table 2 - Forecast temporary accommodation requirement to meet homeless 'interim' and 'main' duties 2016/17

Homeless cases in temporary accommodation at 31st March 2016 (including applicants in referring accommodation)	1,309
Add – forecast intake during 2016/17 (net) Assumptions: intake at similar level as 2014/15 & 2015/16.	750
Sub Total	2,059
Deduct – Forecast for 're-housings' from all sources to include 50 PRSOs	574
Forecast total use of temporary accommodation as at 31st March 2017	1,485
Deduct - Temporary housing available at 31st March 2016	1,309
Forecast – Increase in temporary accommodation requirement during 2016/17	175

79. In terms of where homeless households are forecast to be accommodated and in the terms of the size and shape of the temporary accommodation portfolio, at the close of March 2017, it is recommended that the forecast(s) set out in Table 3 below be approved.

Annual housing resources and commitments for 2016/17**Table 3 –**

Statutory homeless cases in temporary accommodation forecast 2016/17

	Homeless cases in short-term accommodation at 31/3/2016	Homeless cases in short-term accommodation at 31/3/2017
Council Leasing scheme (PSL)	287	400
Nightingale Square	80	80
COSTAs (Council)	195	277*
Council short-term	251	317**
Referrals to local hostels	18	18
Other nightly paid accommodation	215	174
Bed and breakfast inc annexes	103(a) 94(b)	85(a) 84(b)
Applicants in referring accommodation	66	50
TOTAL	1,309	1,485
Forecast increase in the use of short-term accommodation during 2016/17		175
a) Single vulnerable people		
b) Families		

*Assumed addition of circa 35 newly acquired larger properties via OOB TA capital purchase scheme.

**Assumed significant growth in council short term via

- (i) designation of permanent stock as TA outside of the re-generation areas (as at present) and
- (ii) increasing referrals of voids (arising opportunistically or via transfer outside of the re-gen areas) within the regeneration areas for use as temporary accommodation

80. The key proposed changes to the temporary accommodation portfolio proposed above are:

- (i) An increase of 113 units of self contained PSL accommodation within and outside of the borough. In the previous year, 104 units were secured although the rate of procurement accelerated in the latter part of the year following revisions to rents offered. At the start of the current year, there were nearly 100 potential units in the tentative pipeline;
- (ii) An increase of 66 self contained units of self contained council short term accommodation (permanent HRA units used as temporary accommodation; it is expected that during the year the majority of these will be within the regeneration areas);
- (iii) Consequent and commensurate decreases in the use of nightly paid and bed and breakfast accommodation, which is often out of the borough and /or provides shared facilities.

81. It will be noted that, notwithstanding the assumption of continuing increases in underlying homelessness demand, the forecasts above involve very challenging issues

Annual housing resources and commitments for 2016/17

around performance management for the service in the current year. The overall aim is to limit any impact of continued significant demand, coupled with a reduced supply of rehousing opportunities, to a net rise on the use of temporary accommodation of 175 placements over the full year. This is important both in terms of how the Council fulfils its statutory homelessness duties over the year and the associated budgetary implications.

82. For the period 2004/05 to 2009/10, the Council forecast and achieved successive reductions in the overall use of temporary accommodation for the homeless, but, given experience between 2010/11 and 2015/16, it remains no longer possible to do so without providing the overwhelming majority of offers made under the Housing Allocations Scheme towards the statutory homeless, who are, of course, just one of the groups entitled to reasonable preference in the allocation of such housing. Even then, the numbers of properties predicted to become available during the year which would be notionally suitable for homeless households would be insufficient, in quantum, to plan for a reduction in the use of temporary accommodation.
83. Therefore, as set out in section 2 below, it is recommended that a target of 574 'permanent' offers to the homeless during 2016/17 is approved as part of the overall allocations plan set out at Appendix 4. This level of offers represents 47 per cent of forecast supply.
84. The principal measure in achieving such a challenging target will be the successful delivery of the significant number of 'final' offers made under the Allocations Scheme to accepted homeless families. Delivering 574 homeless rehousing in 2016/17 when the year opened with 1,309 in temporary accommodation will necessitate rehousing around 44 per cent of that original cohort and will, in turn, inevitably result in more churn with the various types of temporary accommodation and increased average periods spent in temporary accommodation.

Use of PRSOs in 2016/17

85. Paper No. 13-49 approved a policy framework, around making use of the new powers brought in via the Localism Act 2011, to bring to an end the full homelessness duty via a suitable offer of PRS accommodation (referred to in this report as a PRSO), without requiring the applicant's consent.
86. That reform took effect for households accepted for that duty where their application was made on or after 9th November 2012 and, during the remainder of 2012/13, and throughout 2013/14, the reform was given effect and offers made. 27 accepted households saw the main duty owed to them ended via PRSO in 2014/15 and 9 did so in 2015/16.
87. Paper No. 15-198 included recommendations, approved a year ago, to address the issues arising from the decision of the Supreme Court in the case of *Nzolameso v Westminster City Council* (hearing 17th March 2015 and judgment 2nd April 2015), discussed in detail in that report. The decision made the making of PRSO offers more complicated in terms of suitability considerations, specifically around the geographical location of offers made. The full judgment may be found on the Supreme Court's website under "Decided cases".
88. As mentioned above, the Council made limited use of PRSO's during 2015/16 and this

Annual housing resources and commitments for 2016/17

was partly deliberate, with efforts concentrated on procuring PSL units as an alternative to B and B. During 2016/17, it is recommended that officers secure properties for the purposes of making a PRSO wherever possible.

Temporary accommodation portfolio 2016/17

89. The forecast for temporary accommodation used during 2016/17 in Table 2 above assumes no loss of COSTA units or sites but does assume a significant increase in the PSL portfolio, mainly involving larger properties, and it remains possible that procuring such units may become more problematic if the private rented sub market were to contract in the face of the welfare reforms, including the possibility that it may not be reasonably practicable to procure units within the Borough or indeed within London, especially for households subject to the TWBC as rents would not be affordable. All efforts will be made to procure within the Borough, but should this not prove possible, OOB placements may become unavoidable
90. During 2016/17, it is forecast that the number of PSL units will need to increase by around 110 new units in total, although any sustained increase in homelessness demand during the year may well necessitate a faster expansion of the portfolio, including provision OOB. It needs to also be noted that around 110 of the current leases will expire during the coming year and will need either renewal or replacement as applicable and that all leases due to be renewed in 2015/16 were renewed. At present, leases are taken for a maximum period of between three and five years as approved via Paper No. 10-467 (June 2010) and via Paper No. 14-317 (June 2014).
91. The forecast also assumes a significant increase in the number of the Council's own general needs housing units being let during the year as temporary accommodation, to avoid and/or mitigate admissions into B and B and/or to minimise the length of time spent in B and B for households where placement is unavoidable. This increase will come through a) the letting of 'permanent' stock outside of the regeneration areas as temporary accommodation but mainly through b) the letting of units within the regeneration areas as temporary accommodation if becoming void in blocks scheduled for demolition and c) of new housing units secured via acquisition through purchase, whether within or outside of the regeneration areas. Units sourced through all of these ways will provide self contained, and mainly in-borough accommodation, maintained to the council's usual standard.
92. Lastly, the Assistant Director - Housing Services' ability to claw back a property from sale will be considered as appropriate, as the year unfolds, and subject to approval of revised policy considerations detailed below.

Improving the supply of temporary accommodation for larger households

93. The last five years have seen a significant change in the size profile of households accommodated in temporary accommodation under duties set out in the Housing Act 1996. Tables 4 and 5 below detail the changed profile of admissions into temporary accommodation under the interim duty and acceptances of the main duty during the period April 2010 to March 2016.

Annual housing resources and commitments for 2016/17**Table 4 – Interim duty admissions 2010 to 2016 by bedsize**

Bedsizes	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
0	347	322	292	268	287	279
1	71	68	73	91	73	88
2	368	415	462	427	514	485
3	68	106	154	202	159	173
4	13	20	48	74	44	37
5	5	6	10	11	8	4
6	0	4	3	4	2	2
7	0	1	1	0	0	0
Total	872	942	1,043	1,077	1,087	1,068

NB: 0 = studio needed

Table 5 – Full duty acceptances 2010 to 2016 by bedsize

Bedsizes	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
0	155	128	137	92	125	150
1	45	41	38	48	49	67
2	256	320	335	355	413	452
3	53	78	113	157	152	148
4	5	24	35	68	41	35
5	1	6	10	10	6	5
6	1	2	2	4	1	2
7	0	1	1	0	0	0
Total	516	600	671	734	787	859

NB: 0- studio needed

94. The profile of admissions and acceptances in the same period split by cases needing up to three bedroom properties against those needing four bedroom and larger properties is indicated in Tables 6 and 7 below.

Annual housing resources and commitments for 2016/17

Table 6 - Admissions and accepted cases – smaller households

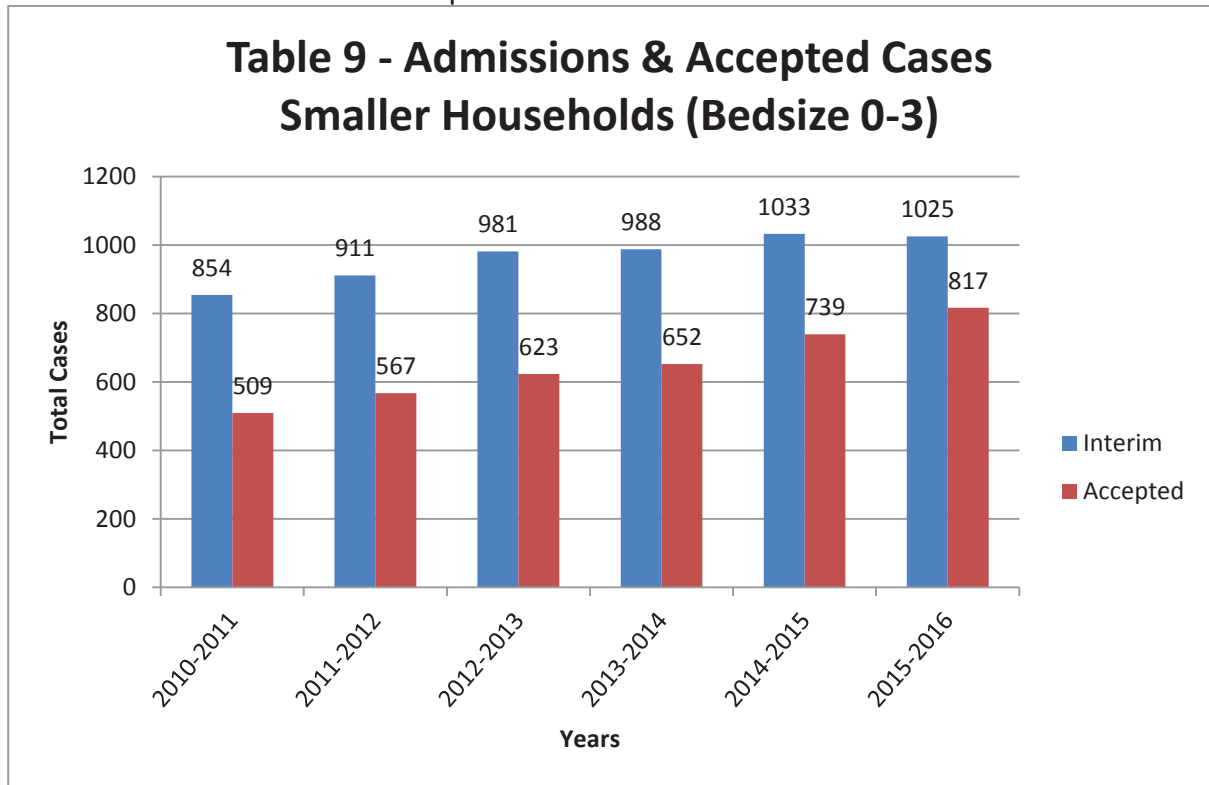
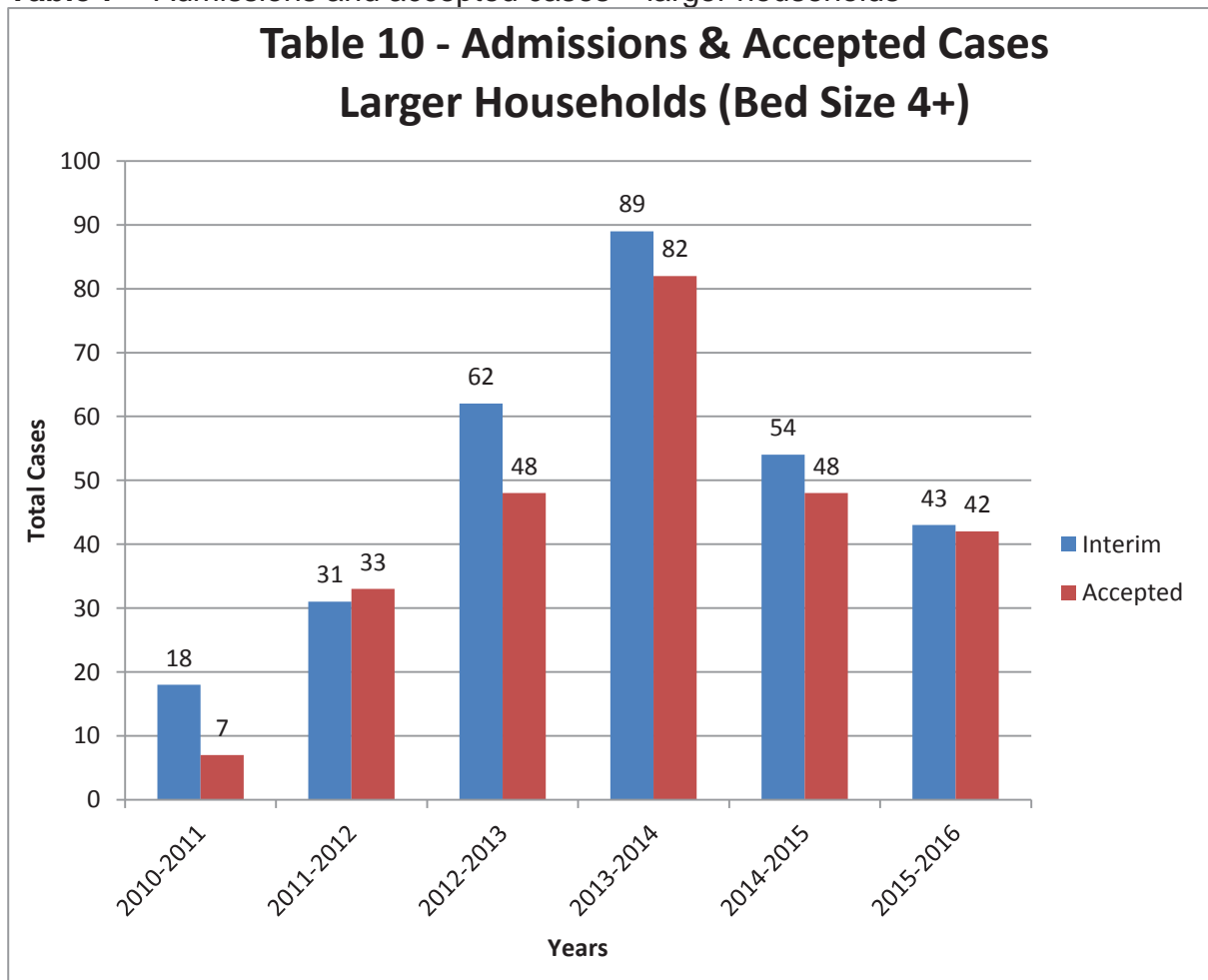


Table 7 – Admissions and accepted cases – larger households



Annual housing resources and commitments for 2016/17

95. It will be noted that for households who, if and when rehoused, require a four, five, six or seven bedroom property, there has been, over recent years, a significant increase. In terms of admissions into temporary accommodation for four bed households, these hit a high of 74 families in 2013/14 and, although numbers have been decreasing over the last two years, numbers remain considerable. Whether 2015/16 represents the continuation of a downslope from this spike will be closely monitored throughout 2016/17.
96. During the same period, the number of families requiring five bedroom accommodation has more than doubled and, in terms of acceptances, there have been even bigger increases. Table 7 above shows that in terms of cases accepted for the main duty in 2010/11 requiring four bedroom housing, just five families needing that size of accommodation were accepted, whereas in the year just closed, 2015/16, that had risen to 35.
97. This increase in numbers is likely to have been the consequence of a number of factors, but particularly including the wide-ranging review of welfare benefits initiated by the government over that period. It will be recalled that LHA was widely accepted as running out of control with many high profile cases reported in the media, in London in particular, where landlords were receiving payments in excess of £1,000 per week.
98. In Wandsworth, the highest payment prior to the reform was circa £850 per week and, as part of the wider welfare reform agenda, LHA was capped nationally for four bed and larger properties at £400 per week maximum.
99. That reform, coupled with the difficult lending environment and reduced mortgage starts over most of the five year period and the rise of the buy-to-let market for professionals, saw increasing rents in the private sector and a move to shared accommodation between younger working households unable to raise mortgages. This combination of factors is believed to have driven the very significant increases in large family homelessness indicated in the tables and graphs above.
100. This has been combined with a change-around in the type of temporary accommodation in which households are accommodated. For the same reasons as above, acquiring larger units of accommodation either by way of homelessness prevention or by way of leased temporary accommodation has become much more problematic and higher numbers of families in bed and breakfast have been seen throughout the period.
101. At present, the Department has limited means of meeting the increased and now accrued demand, from larger homeless households. These include the use of permanent housing within the Council's own stock as temporary accommodation ("Council short term" in Table 3 above) and this has increased over the last four years to stand at 251 at 31st March 2016.
102. Typically, one bed and three bedroom units are taken out of the permanent lettings pool to be used as temporary accommodation and households requiring two and four/five bedroom accommodation are allocated those as temporary accommodation. Clearly, this involves a degree of overcrowding (but not leading to statutory overcrowding) for those households in those units, but that is considered suitable in terms of it being temporary rather than permanent accommodation.
103. The Council's significant hostel stock only provides accommodation in limited numbers

Annual housing resources and commitments for 2016/17

for the very largest households although, for example, at Nightingale Square units are sometimes 'doubled up' to provide for larger households.

104. The new hostel at Dawes House that was brought on line in May 2013 was specifically configured to provide very large units in view of, at that time, the expected increase in larger family households that has now materialised, but obviously those units are of finite number. Likewise, in 2015/16, the new hostel at Battersea Park Road was let, which offers six units of self contained accommodation, including four, very large 4 bedroom units, which will be let to households assessed as needing 4 bed and larger accommodation upon 'settled' rehousing.
105. Looking further ahead, a significant number of additional large units of temporary accommodation including 6 x 3 bed, 9 x 4 bed and 2 x 5 bed units, will be developed at Wood and Palladino House (Tooting) as per approvals given via Paper No. 15-11 (January 2015), with letting expected early in 2017/18.
106. The Allocations Plan as delivered last year gave the significant proportion of larger units to the homeless with 28/46 x four beds and 3/4 x five+ beds being accepted by homeless families. At the end of March 2016 there were 85 accepted homeless households on the homeless queue needing four+ bed rehousing, that is, more than double the entire supply of larger units let under the allocation scheme in 2015/16.
107. For 2016/17 and indeed beyond, the registered provider development pipeline contains no five+ bedroom units scheduled for completion during the year and, likewise, the hidden homes initiative has no five+ bedroom units in the programme, although the on-going research into the scope for contiguous conversion of, for example, adjacent three bedroom units continues. This is carried out every time a property becomes void and has, in the recent years, provided much welcome additional larger (five and/or six bedroom) units including in Southcroft Road and in Ribblesdale Road (both Furzedown). However, the scope for carrying out such conversions is, to an extent, limited by the need for adjacent units to become vacant at or around the same time and by the fact that approximately 50 per cent of the housing stock is in leasehold ownership.
108. As such, it appears that the availability of larger units during the coming year will comprise a mixture of casual vacancies, units released through transfer of the existing (and frequently under-occupying) tenants, units secured in the private rented sector for offer as a PRSO, units clawed-back from sale and units purchased on the open market.
109. The package of measures to encourage under-occupying tenants to relocate into smaller, suitably sized accommodation approved in Paper No. 08-227 (February 2008), and, subject to review in the 2013 report, and subsequently increased via Paper No. 15-12 (H&ROSC January 2015), are intended to encourage greater turnover generally including within the larger bed sizes and, during 2015/16, the newly approved (Paper No.15-12) and appointed Housing Moves and Mobility Team began to have an effect on the number of under-occupation transfers achieved.
110. During 2015/16, a total of 80 under-occupying Council tenants were assisted in moving to smaller, 'right sized' housing (compared to 53 in the previous year), including 16 households moving into sheltered housing.
111. Given all of the above, the issue facing the Council is that large family homelessness

Annual housing resources and commitments for 2016/17

has increased significantly over recent years resulting in a) increased use of the most expensive forms of temporary accommodation and b) increased numbers in temporary accommodation generally, with an inadequate supply pipeline to meet that increased demand.

112. As was noted in Paper No. 14-317, to a large extent the same challenges are faced by many other London boroughs and, at that time, at least three other London boroughs had added to their temporary accommodation strategy the procurement/ acquiring of larger units through purchase on the open market. In that paper, recommendations for the Council to do likewise were approved and paragraph 87 above details activity in this respect during 2015/16.
113. For the current year, Paper No. 15-10 (January 2015 H&ROSC) included further provision of £10 million of HRA capital resources to fund further purchases and this is at present, and will continue to be, deployed to increase the supply of self contained, good quality temporary accommodation in the discharge of, but not the cessation of, homelessness duties. That paper made similar financial provision for 2016/17.
114. 19 properties were purchased during 2015/16, compared to 16 referred for sale, and provided, for use as temporary accommodation 4 x 5 beds, 7 x 4 beds, 6 x 3 beds and 2 x 1 beds.
115. Returning to the forecast for temporary accommodation use in 2016/17, it is also expected that the use of B and B can be reduced during the year but remaining at a significant level, again in recognition of homelessness trends. As challenging as this may prove, it is necessary to aim high in this regard given that such accommodation is the least suitable and financially least efficient type of temporary accommodation.
116. Having regard to the increased number of families who spent more than six weeks in B and B during 2015/16, it is expected that, in view of the recommendations for a significant number of 'permanent' offers to the homeless in 2015/16 set out below, for the expansion of both the PSL and the Council short term portfolios during the year and for the continued acquisition by purchase of larger units as temporary accommodation, there will be significant turnover of COSTA and PSL units in the year, which will be of assistance in reducing numbers in B and B generally and specifically for families with children. In terms of meeting the demand for non B and B type accommodation, there will always be scope to procure increased numbers of PSL units above the forecast.
117. The Director of Housing and Community Services considers that, although 2016/17 is likely to prove to be another challenging year, the forecast set out above regarding the Council's use of temporary accommodation to discharge the statutory duties owed to the homeless is realistic and achievable. As Members will be aware, as the numbers of homeless households accommodated have risen over recent years, the standards of accommodation in use have, in the round, risen insofar as the largest single type of accommodation provided sits within the Council's own COSTA stock, which now offers predominantly self contained and 'in' Borough accommodation.

Homelessness prevention

118. In relation to homelessness prevention related service initiatives during the current year, it is firstly proposed to continue with homelessness prevention measures and it is recommended that the following targets in Table 8 below for 2016/17 be approved.

Table 8

Prevention scheme	2015/16 Actual	2016/17 Target
SPSS	50	50
PSHI/PRSOs	29	100
OOB	12	25
Total	91	175

119. Although outcomes over 2015/16 were behind their respective forecasts, for the reasons explained above, and notwithstanding the possibility of a further contraction within the market, the targets recommended above are considered challenging but achievable in 2016/17.
120. It should be noted that the recommended target for the PSHI above will also encompass properties secured and offered by way of a PRSO and that the target has been reduced compared to those set in recent years to take account of the implications of the Supreme Court's decision in the Nzolameso judgement (referred to at paragraph 87 above).
121. The targets above are recommended as 'minimum' targets for the year and all efforts will be made to better them, as doing so would help to mitigate any further increases in homelessness demand which would in turn mitigate the need for the proposed high number of homeless rehousing during the year to keep temporary accommodation use within performance and budgetary forecasts.
122. In conclusion, the position around the use of temporary accommodation to fulfil the Council's statutory duties is unclear. The year in prospect may be characterised by further significant levels of underlying homelessness demand, depending in large part on how the private sector housing market reacts to further welfare reforms, and progress in delivering the forecasts set out above may, therefore, hinge on that factor.
123. Those forecasts have been formulated on a consciously pessimistic basis and, to that extent, may be assumed to be reliable. Monitoring of progress will be critical in the year and the Housing and Regeneration Overview and Scrutiny Committee will receive updates at each and every meeting during 2016/17.

Asylum seekers and other destitute cases

124. At 31st March 2016, the Council had responsibility for 55 asylum seekers and other destitute cases compared with 61 a year earlier. The number of cases supported at year-end was just below the level forecast in Paper No. 15-198. This was due to the success of the on-going programme of joint reviews between the Housing and Community Services and Education and Social Services Departments and the Borough Solicitor and to an increased number having their immigration status regularised by the Home Office during the year.
125. It is forecast that by 31st March 2017, the Council will have responsibility for 66 (36 asylum seekers and 30 other destitute households) cases with numbers in future years stabilising around this level.

Annual housing resources and commitments for 2016/17

126. This forecast is recommended, as was the case in last years' review, on the basis that previous changes in both legislation and through case law will continue to be applicable. Notably, recently enacted changes introduced by the Immigration Act 2014 intended to prevent immigrants with no right of abode from being able to access accommodation or work, will mean that private landlords or agents would need to carry out mandatory immigration checks before granting private tenancies or rights of occupation. Failure to undertake these checks carries a civil penalty for the landlord/agent under the new rules. Furthermore, penalties for employers who employ illegal immigrants have increased from the previous level of £10,000 to £20,000 – potentially affecting households who have supported themselves albeit illegally over the years. This change took effect late in 2015 and its effects, whatever they may be, may manifest themselves in 2016/17.
127. As at present, the number of asylum seekers and other destitute households accommodated throughout the year will be reported to the Housing and Regeneration Overview and Scrutiny Committee at each of its meetings during 2016/17.

Council's arrangements for financially supporting families and adults that have no recourse to public funds (NRFP) by reason of their immigration status in the United Kingdom

128. Responsibility for supporting families and adults with no recourse to public funds by reason of their immigration status in the United Kingdom is the responsibility of local authorities. Families are entitled to approach the Council for assistance if they are genuinely destitute and have no accommodation and means of subsistence. Adults should have care needs over and above destitution in order to be provided with accommodation and subsistence. In addition, depending on immigration status, some families/adults will require a Human Rights assessment.
129. The burden of that responsibility falls on two Council Departments: The Housing and Community Services Department is responsible for undertaking an assessment of housing needs for families and adults presenting as homeless; the Education and Social Services Department is responsible for undertaking children in need assessments in line with the national framework; and Community Care assessments for those with physical and mental health problems. The Housing Department administers all the costs associated with supporting these families and adults.
130. The Council's position is that it pays subsistence based on support rates given to asylum seekers in accordance with section 95 of the Immigration and Asylum Act 1999 and these rates have been reviewed regularly in keeping with these support levels. In previous years it was based on a percentage of Income Support with various premiums and as the current Council rate varies according to ages and household composition.
131. The Council currently pays subsistence based on pre August 2015 section 95 rates (Appendix 6) with a premium for families placed in private rented accommodation to take in to account utility bills (Section 95 pays all inclusive accommodation costs). Currently adults with care needs who are provided with private accommodation receive the standard rate and the utility costs are met by the Council; Council Tax is met by the Local Authority in both circumstances.
132. All cases are subject to an individual financial assessment by a Caseworker and any variation to the basic subsistence rates is at the discretion of the customer

Annual housing resources and commitments for 2016/17

services/Ineligible cases manager. For instance; the basic rate will be lower if there is additional income/support available and may in exceptional cases be higher if there are substantial additional needs.

133. The Government introduced a new standard rate of section 95 Asylum Support of £36.95 per person per week from 10th August 2015. This amount is considered to cover all essential living costs. It is recommended that the council should follow these new rates with a premium for private rented accommodation and that the current practice of reviewing cases on an individual basis will continue. Subsistence will continue to be paid fortnightly and checked for any change of circumstances which would require a revised assessment.
134. The proposed new subsistence rates take into account the temporary nature of the support for essential living costs only and it is expected that clients will only require this support until a decision has been reached with their Home Office application or they cease to be eligible for support. It is recommended that these rates be approved for implementation from 1st August 2016.

Homelessness strategy

135. The Council is required to produce a homelessness strategy under section 1 (4) of the Homelessness Act 2002. Previously, in the light of the Local Authorities Plans and Strategies (Disapplication) (England) Order 2005, effective from 1st February 2005, the Council was 'excused' this requirement by virtue of its 'excellent' performance rating under the Comprehensive Area Assessment//Comprehensive Performance Assessment framework. With the demise of those frameworks, the Council needs to have a homelessness strategy and, as in previous years, it is recommended that the content of the annual report as it relates to homelessness be adopted as the Council's 'strategy' for 2016/17.

SECTION 2: RESOURCES AND LETTINGS REVIEW**2015/16 – the year in review**

136. During 2015/16, a total of 1,071 dwellings from all sources became available for letting. These comprised 698 Council dwellings, 332 housing association (registered social landlord) dwellings and 41 from the private sector or via mobility arrangements. It compares with a projected supply or resources forecast for 2015/16 of 1,044 dwellings from all sources and is equivalent to 103 per cent of that forecast. The detail is provided in Appendix 3 to this report.
137. As reported to the Housing and Regeneration Overview and Scrutiny Committee at each of its meetings during 2015/16, there are various reasons behind the excess in resources becoming available against forecast. In summary, within the Council's own stock there was a significant excess (157 dwellings) against forecast becoming available during the year opportunistically as 'casual vacancies', for example dwellings turning over within both the general and sheltered stock as a result of abandonment, death, eviction etc. This offset various, smaller shortfalls against other reasons why council homes become vacant e.g. as a result of transfer activity etc. The Council sector had an overall excess of 102 dwellings against forecast.
138. Within the housing association sector, the forecast was almost exactly achieved in full

Annual housing resources and commitments for 2016/17

with a small excess (thirteen properties) against forecast.

139. Lastly, within the mobility and private sector, and within an overall shortfall against forecast of 88 dwellings, the main shortfall was in respect of private sector dwellings becoming available under the PSHI, due to the reasons explained above. It will be recalled that, throughout the year, it was noted in reports to the Housing and Regeneration Overview and Scrutiny Committee that the PSHI in particular was falling short, due to fewer landlords wishing to offer properties to the scheme.
140. In respect of the supply of properties by bed size, it will be noted that properties sized three bed and smaller were at or very close to forecast whereas larger properties (4 beds and above) were in deficit. It will also be noted that the Assistant Director - Housing Services' overriding ability to 'claw back' properties from sale was exercised during 2015/16, with 9 units, including 4 four bedroom properties 'clawed-back'. All 9 properties were let to urgent cases by year end as shown in [Appendix 3](#) as 'sales returns'.
141. The 2015/16 Allocations (or commitments) Plan was implemented as detailed in the Table 9 below: The detail is shown in [Appendix 4](#) to this report.

Table 9

Access Queue	2015/16 (Forecast)		2015/16 (Actual)	
	No	%	No	%
General needs queue*	174	17%	170	16%
Homeless**	500	48%	494	45%
Transfers (including Council interest queue)	182	17%	251	22%
Older persons (sheltered) housing queue***	145	14%	116	11%
Physical disability ***	14	1%	15	1%
Supported queues ***	22	2%	19	2%
Social care queue	7	1%	5	1%
Pan London Mobility scheme	0	0%	1	1%
Total	1,044	100%	1,071	100%

* Includes prevention of homelessness cases and lettings under the new generation scheme

** Includes all homelessness lettings

***Excludes all lettings to accepted homeless cases

142. As will be noted, although the total number of offers made was above forecast, the proportionate split across the queues was managed in close compliance with the plan approved last year. The only queues where there was significant variance were the transfer and the Council's interest queue and that was due to progress with decanting tenants in the regeneration area(s) in advance of regeneration and, at the same time, either relieving overcrowding or resolving under-occupation for the households concerned. Properties released for re-letting in this way are thereafter used as temporary accommodation for statutorily homeless households and 45 properties in the regeneration area(s) were used in this way in 2015/16.
143. In conclusion, 2015/16 was another challenging year with an overachievement against the approved forecast for the overall supply of accommodation for allocation across all three sectors (Council, housing association and private rented).
144. However, as will be noted from the table above, and in general terms, the relative

Annual housing resources and commitments for 2016/17

proportionate distribution of lettings across the major housing queues was very close to forecast distribution approved last year albeit across a higher number of lettings envisaged in the resources forecast.

145. In relation to outcomes delivered under the Allocation Scheme during the year, 494 households who were previously accepted as unintentionally homeless and in priority need, had their homelessness resolved, accepting an offer made under the Allocation Scheme.
146. 100 overcrowded households were moved to 'right sized' larger accommodation including 23 families who were previously subject to severe overcrowding (lacking two or more bedrooms) compared to 42 and 14 in the previous year.
147. Further, 80 households who were previously under-occupying Council housing that had become too large for their household were assisted, on a voluntary basis, to move to 'right sized' smaller accommodation, thereby releasing dwellings for re-letting, compared to 53 in the previous year and to 113 in the year 2013/14. Many of the households downsizing during the year were older tenants.
148. Of the 80 households for whom under-occupation was resolved, 36 were previously subject to a SSSC reduction in housing benefit received, and moving them into smaller accommodation not only assisted them to resolve any financial pressure but also protected the Council as landlord against the risk of future arrears.
149. Separately 130 households (mainly single people) moved into sheltered housing, compared to 155 in the previous year. 16 of the 130 households moving into sheltered housing during the year were previously under-occupying other social housing (within and not additional to the 80 under-occupiers referred to above). The 2015/16 resources and commitments full year position is contained within Appendices 3 and 4.
150. 2015/16 was notable in terms of a significant number of newly built social rented homes becoming available for letting. In 2015/16, 6 new council hidden homes were let (Abbott House) and 117 RSL/registered provider sector new built homes were completed and let during the financial year. These 117 new homes were as follows: 15 new build RSL properties at Arbour House (SW18), 18 at Knightley Walk (SW18), 39 at Enterprise Way (SW18), 17 at Courtenay/Kilwardy/Bedford House (CR0), 16 at Otterburn (SW17) and 12 at Elmwood Court (SW11). 17 of these were located outside of the borough in Croydon under sub regional nomination arrangements.
151. These properties provided 29 x one beds, 49 x two beds, 35 x three beds and 4 x four beds. These were primarily let to tenants of the Council seeking transfer for one reason or another but principally to resolve under-occupation (16 cases), overcrowding (41 cases), homeless/NGS (38 cases), decant (8 cases) and moves to adapted properties (3 cases). They also facilitated subsequent chain lettings that released 7 x studios, 21 x 1 beds, 22 x 2 beds, 10 x 3 beds
152. Separately, 87 existing Council tenants exchanged tenancies under the mutual exchange process during the year (excluding 33 that were cancelled/rejected by either the parties involved or by the councils/RSL's involved), compared to 104 in the previous year. Such exchanges often resolve overcrowding and under-occupation issues.

Annual housing resources and commitments for 2016/17

153. 48 of the exchanges were facilitated via the *homeswapper* service to which the Council subscribes and for which tenants can register at no cost and, at year end there were Council 1,757 tenants (around 15% of tenants) registered with the *homeswapper* service.
154. In addition, there were another 23 putative mutual exchanges in progress/under assessment at year end. Of the 87 mutual exchanges concluded during the year, 25 were between Wandsworth council tenants, 46 were between a Council and a registered provider tenant and 35 involved an exchange leading to a move in and out of the Borough. Further, 42 exchanges resolved either overcrowding or under-occupation. Lastly, 45 of the 87 exchanges were between accommodation of the same size, for example a two-bed to a two-bed etc.
155. The waiting times amongst those being rehoused under the Allocations Scheme in 2015/16 are detailed in Table 10 below. As will be noted, average waiting times for those accepting an offer during the year generally increased compared to 2014/15, albeit that the quantum of offers made and accepted was higher with the notable exceptions of 1 and 4 bed offers and offers made against the general needs queue, which decreased compared to the previous year.

Table 10 – Wait times

	2014/15	2015/16
Average wait (all queues)	15 months	18 months
Average wait for 1-bed (all queues)	14 months	9 months
Average wait for 2-bed (all queues)	16 months	26 months
Average wait for 3-bed (all queues)	15 months	24 months
Average wait for 4-bed+ (all queues)	31 months	22 months
Average wait on general needs queue*	15 months	13 months
Average wait on homeless queue	13 months	14 months
Average wait on transfers queue	23 months	28 months

* This queue includes urgent and discretionary cases

156. Numbers waiting on the major housing queues at the close of the year are set out in Table 11 below. It will be noted that numbers waiting on the queues mentioned, with the exception of the older persons queue, increased over the year. Across all queues, numbers went up from 4,526 at the 31st March 2015 to 5,090 on 31st March 2016. This increase was as a result of rising demand to join the housing queues including from the increased number of households joining the homeless queue(s) having been accepted for the main homelessness duties.
157. However, and to be seen in proper context, this remains much reduced compared to numbers registered prior to 2014; at the 31st March 2013 there were 7,267 applications registered across the queues and the reduction over the last two full years was the direct result of amendments approved to the Housing Allocation Scheme through 2013, especially those around who qualify to join, or to remain upon, the housing queues. It will be recalled that, for example and save for in exceptional circumstances, applications are no longer accepted from people living outside of the Borough or who have lived in the Borough for less than two years. Other criteria relate to income, equity and capital.
158. As also shown in Table 11 below, numbers on the homeless queue have increased over

Annual housing resources and commitments for 2016/17

the year, as would be expected given the higher number of cases accepted for the full homelessness duty. Numbers on the older persons queue decreased as did numbers on the transfer queue, whereas numbers on the physical disability queue remained stable and numbers of under-occupiers seeking a down-sizing move increased as shown in Table 11 below.

Table 11: housing access queues

	2014/15 Actual	2015/16 Actual
Applicants on general needs queue	2,292	2,526
Registered under-occupiers (various queues)	275	309
Applicants on homeless queue	767	1,075
Applicants on transfers queue	794	816
Applicants on the older persons housing queue	322	226
Applicants on physical disability queue	45	46

159. Lastly, in respect of 2015/16, it will be recalled that the housing allocation scheme was amended with effect from the 1st of September 2014 to facilitate accepted homeless households comprising of a single parent or couple with one child, (provided that child would be under 2 years and 9 months old), to be offered 1 bed properties in the cessation of the main homelessness duty, instead of the previous policy of offering such households 2 bedroom properties. During the year just closed, this resulted in 74 accepted homeless applications to be housed into 1 bed properties belonging to either Wandsworth Borough Council or other RSL accommodation.
160. This in turn freed a number of temporary accommodation units for allocation to other homeless households including those in B and B. All of these offers were accepted at the first offer, with an average age of the child at acceptance at 1 year 7 months years old.
161. At the start of 2016/17, such households number 235 applications requiring 1 bedroom with the average age amongst the dependant child(ren) being 1 year and 1 month.

2016/17 – the year in prospect

162. The 2016/17 draft resources forecast is attached within [Appendix 3](#) for consideration with a recommendation that it be approved.
163. For 2016/17, the supply of dwellings becoming available from all sources is predicted to comprise 1,216 dwellings across all sources of supply, so an increased number compared to the actual supply seen in the previous year (1,071), and compared to the forecast for that year (1,044). The forecast is made up of 791 Council dwellings, 297 housing association dwellings and 128 private sector and OOB mobility dwellings.
164. The resources forecast for 2016/17 is notable not least because of a significant number of new build social housing provision expected to become available for letting during the year, with a total of 88 new homes (82 general needs and 6 wheelchair adapted) anticipated to be let in the year. This is similar to the number seen in 2015/16.

Annual housing resources and commitments for 2016/17

165. By way of context, 2012/13 was something of a high water year in that nearly 200 new build units were delivered and let followed by 27 new units in 2013/14, 38 units in 2014/15 and 129 in 2015/16. New build units let in the current year will, as per long standing policy, be mainly directed towards under-occupying tenants, whether or not subject to the SSSC, in order to (a) resolve under-occupation and by so doing (b) release, through created chains or cascades of lettings, family sized units for offer to other high priority cases, including to statutory homeless households.
166. Matters in respect to purchase and new affordable housing development are covered in the affordable housing update report elsewhere on this agenda (Paper No. 16-279).
167. The 2016/17 resources and commitments forecasts have been drawn up to reflect the realities seen within 2015/16 and in earlier but still recent years such as rising homelessness demand and the increased use of temporary accommodation including B and B and to cater for, insofar as is possible within finite resources, challenges expected in 2016/17 such as continued high levels of homelessness demand, the need to reduce B and B use for families with children so as to comply with the suitability order and a need to maintain a reasonable level of transfers activity, especially for under-occupation transfers in view of challenges presented by the SSSC and decants within the regeneration areas, and the need to recycle larger units to meet rising large family homelessness demand.
168. In view of the significant new build supply this year, the number of offers by way of transfer forecast, including transfers to resolve under-occupation, to be made and accepted has, within an increased resources forecast overall, been increased compared to the level seen in the previous year. In past years the majority of transfer activity involved moves from smaller to larger housing. However, following the introduction of the SSSC in April 2013 it has proved to be the case that more under occupying tenants will wish to move and thus the ratio of transfers completed will now involve a significant number of larger to smaller moves. This in turn is welcome as it would release larger properties to meet the housing needs of other priority groups including the homeless and the overcrowded but may also mean that the number of one bed lettings to the specialised queues comes under more pressure.
169. Accordingly, the 2016/17 resources forecast at Appendix 3 includes, out of the 1,216 properties predicted to become available overall, 329 dwellings becoming available as a result of transfer activity. This represents around just over one quarter of the total forecast and is indicative of the predicted volume of transfer activity proposed for the year.
170. The remaining major supply lines within the forecast foresee 497 social housing general needs dwellings becoming available by way of casual vacancies within both the Council and registered provider stock, along with a further 143 vacancies becoming available by way of casual vacancies within the Council's sheltered housing stock. Similarly, the forecasts for resources becoming available in the PRS via both the PSHI and OOB schemes have been reduced and/or kept in line respectively with the forecasts approved last year.
171. For these reasons, the draft resources forecast is recommended for approval as a realistic and credible forecast in which Members can have confidence, noting the accuracy of the overall forecast in 2015/16 and the fact that resources were slightly above forecast in that year. This is because the forecast is increased by a relatively

Annual housing resources and commitments for 2016/17

modest amount compared to the one approved last year and the essential assumptions are that the actual supply seen in 2015/16 will be replicated in 2016/17 and that the 88 new build homes expected in the year will be let, with additionality achieved through the recycling of units released via transfer, and especially under-occupation transfers.

172. The 2016/17 draft commitments forecast (hereafter referred to as the 'Allocations Plan') is set out in [Appendix 4](#) for consideration with a recommendation that it be approved.
173. The draft Allocations Plan has been shaped with regard to the need to provide a reasonable preference for allocation to those entitled to it, within the framework set out in the Council's Housing Allocations Scheme. It is anticipated that the overwhelming majority of allocations made during the year will be made to households falling into one (or more) of the reasonable preference groups set out in Part VI of the Housing Act 1996 (as amended).
174. The Housing Allocations Scheme, adopted by the Council in January 2003 and subject to amendment in subsequent reviews most recently through 2013 (Paper No. 13-265 (April 2013) and Paper No. 13-373 (June 2013)), takes account of the need to provide 'reasonable preference' to certain manifestations of housing need, as identified in Section 166A of the Housing Act 1996. This is done either through the banding and/or points scheme(s) or the creation of the special queues. The principal consideration each year is to balance the Council's statutory rehousing responsibilities to homeless households against other rehousing priorities such as assisting adult social care clients to move on from temporary supported housing and accommodating those with physical disabilities in adapted accommodation.
175. Table 12 below provides a summary of how the Council proposes to do this in the current year with the full detail being shown at [Appendix 4](#): -

Table 12

Access Queue	2016/17 (Proposed Forecast)	
	No	% (rounded)
General needs queue*	143	12%
Homeless**	532	44%
Transfers (including Council interest queue)	289	24%
Older persons (sheltered) housing queue***	159	14%
Physical disability ***	18	1%
Supported queue ***	54	4%
Social care queue	21	2%
Total	1,216	100%

* The general needs queue includes cases rehoused under the PSHI to prevent homelessness and discretionary offers, for example converting an existing sole tenancy to a joint tenancy

** The homeless figure excludes lettings achieved through other registers/queues and now includes offers of PRSOs

***Lettings to the sheltered housing, physical disability and special queues include general needs, transfer cases and moves under the pan London mobility scheme

176. In considering this distribution of properties, the Director of Housing and Community Services has, as previously in conducting such annual reviews, taken account the latest SHMA the Director of Housing and Community Services considers that the proposed allocations to the general and special queues reflect a reasonable balance between the

Annual housing resources and commitments for 2016/17

competing groups.

177. He considers that they correctly reflect the other considerations set out in this report, particularly the need to mitigate rises in the use of temporary accommodation in the context of increased homelessness demand in 2010/11 through 2015/16 and of the risk of continuing pressure in the current year. Further, he has considered the improved anticipated supply of new build units coming forward this year and the need to boost resources created by transfer activity in light of both the continuing challenges and opportunities resulting from the introduction of the SSSC.
178. The draft Allocations Plan, therefore, provides for the 584 homeless rehousing during 2016/17 discussed above, provides for 340 allocations by way of transfer across all the queues and provides for 143 allocations across the general needs queue as a whole. 159 allocations of sheltered housing are planned to older applicants, with 93 allocations to other vulnerable (mainly single) households across the physical disability, supported, social care and pan London mobility scheme housing queues (including to homeless and transfer cases). Further, it will be noted that the proposed allocations plan includes significantly increased numbers of offers against the social care queue; 21 compared to 7 in the previous year. This is to assist the Council generally, and the Children Services' department specifically, meet the objectives of the improvement plan approved in the light of the Ofsted report into care leavers and children's specialist services published earlier in 2016.
179. The plan anticipates that 28 per cent of total resources be directed towards existing Council tenants by way of transfer with 72 per cent being directed towards other applicants, principally towards accepted homeless households.

Service specific issues and recommendations

Housing Allocation Scheme – Proposed major amendments.

180. The current Housing Allocation Scheme was adopted by the Council in January 2003 and subject to amendment in subsequent reviews most recently through 2013 (Paper Nos. 13-265 (April 2013) and 13-373 (June 2013)) and was also subject to amendment a year ago via Paper No. 15-198.
181. As mentioned below, recent guidance provided by the Courts necessitates amendments to the Allocation scheme but also, during 2016/17, the shared staffing arrangement (SSA) with the London Borough of Richmond-upon-Thames will come into effect, following approval of staffing structures in Paper No. 16-138 (F&CROSC 13th April 2016). To assist the implementation of the SSA, bringing the respective Allocation schemes into closer harmony will be helpful to officers responsible with administering the scheme(s) and, for Wandsworth, the main changes are as set out in the following paragraphs. Generally speaking, there is already considerable overlap between the current schemes in each borough, and, again for Wandsworth, the existing scheme is retained in the most part.
182. Firstly, the qualification criteria approved in the current scheme date from 2013, following the return of wider discretion to Councils to set such criteria. However, it is now necessary to amend them to reflect subsequent case law which has made clear that excluding applicant households who fall within the reasonable preference categories from consideration entirely, by way of rules around qualification (for example

Annual housing resources and commitments for 2016/17

by using a minimum period of (past) residence in the district) is unlawful, with exceptionality being insufficient to remedy such unlawfulness.

183. It will be recalled that, when framing an allocation scheme, s166(A) of the Housing Act 1996 requires that the Council ensures that the operative scheme must result in reasonable preference being according to those entitled to it. Reasonable preference has been described in case law as a 'reasonable head start' towards an actual offer of housing and a scheme must differentiate between those entitled to it and those who are not, prioritising the former over the latter.
184. The groups entitled to reasonable preference are: those homeless and/or those owed one or other duty under homelessness provisions, those occupying insanitary/overcrowded/unsatisfactory housing, those needing to move on medical or welfare grounds and those needing to move to a particular locality of a district to avoid hardship.
185. The more recent case law concerned LB Hammersmith and Fulham's decision to not regard accepted homeless households as qualifying persons under their scheme, providing the household was in suitable temporary accommodation and, more recently still, LB Ealing's decision to refuse an applicant otherwise falling within the reasonable preference categories as not being a qualifying person because they did not have the minimum period of previous residence in Ealing. The Court of Appeal and the High Court respectively ruled that the scheme in each borough was unlawful.
186. The draft scheme at Appendix 7 has been amended to ensure that the qualifying person rules, generally speaking, do not apply to those entitled to reasonable preference. As such, the qualification rules will in future relate mainly to those who are not entitled to reasonable preference and that would continue to prevent a significant number of applicants being able to join the queues. The amended rules around qualification also relate to a limited number of scenarios encompassing persons entitled to reasonable preference but on a strict case by case assessment basis.
187. It should be noted that the recent case law is very likely to cause, over time, rises in the number of households admitted to, and remaining upon, the housing queues. This will be monitored and reported as necessary going forward.
188. Further, within the points scheme, points awarded for sharing facilities such as WCs, kitchens and living rooms have been combined into a single points award, for greater simplicity and transparency.
189. Lastly and again within the points scheme, it is proposed that differential priority be awarded between those applicant households with significant previous residence in the borough, set at a minimum period of three continuous years, compared to those who do not, by placing such applications in Band D. This will ensure that allocations are directed towards applicants with stronger connections to the Borough, although and again case by case, exceptions may be made by senior officers and the capacity to do so is included within the scheme.
190. Under the Housing Act 1996 Sections 166A and 168, it is a statutory requirement for the local authority to consult when making an alteration to the Allocations Scheme reflecting a major change of policy, which this clearly will be, with all registered housing providers (housing associations) to whom the council has nomination rights and to take

Annual housing resources and commitments for 2016/17

reasonable steps to bring the effect of the alteration to the attention of those likely to be affected by it.

191. It is recommended therefore that Appendix 7 be approved in principle and that consultation be undertaken through the usual mechanisms for a period of 6 weeks with a further report setting out the results of that consultation with any applicable amendment to the policy coming to the September 2016 cycle for further consideration and approval. When considering whether to support this particular recommendation, members are asked to take account of the Equalities Impact Assessment attached at Appendix 8. That assessment has been carried out in accordance with the terms of the Equality Act 2010 which requires that the Council when exercising its functions must have "due regard" to the need to eliminate discrimination, to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it and to foster good relations between persons who share a relevant protected characteristic and persons who do not share it. As such an **Equality Impact Assessment (EIA)** has been undertaken on the proposed changes to the allocation scheme. This EIA is attached as an appendix to this report. This EIA has identified that any changes to the Housing Allocations may impact more on BME and female residents as these groups are represented on the list at levels above the Borough average. However, in order to mitigate any impact a number of actions have been identified including management discretion in the scheme for exceptional circumstances to those who do not meet the new three year residency criteria and are placed in Band D until such a time that the criteria is met. The EIA will be subject to consultation.
192. Once the final policy is approved it will be necessary to set an implementation date and officers will include recommendations in the September 2016 report as to when and how the revised scheme may be implemented, as well as an updated EIA.

National housing mobility

193. The Mayor of London's policy objective of providing increased opportunities for cross-borough, pan-London mobility amongst social housing tenants for work opportunities or otherwise have continued during 2015/16 via the *housingmoves* scheme (initially reported to the Housing Overview and Scrutiny Committee and the Executive in Paper No. 12-66). That report recommended that the Council participates in the scheme with a commitment to contribute some five per cent of lettings (around 30 to 50 properties per year).
194. During the last two years, the volume of the Council's participation has been lower than was planned/expected by the Greater London Authority (GLA) and it can be fairly said that the scheme overall got off to a slow start and has continues to move at a slow pace.
195. During 2015/16, the Council had advertised two properties on the *housingmoves* website: a one bedroom property and a three bedroom property. The one bedroom property received four bids but was not accepted by any of the nominees who viewed it, whereas the three bed received 33 bids and was let to a tenant of the London Borough of Lambeth.
196. In terms of moves the other way, no Wandsworth tenants moved via the *housingmoves* scheme in the year, although, separately, three Council tenants moved out of the Borough via the Seaside and Country Scheme, releasing a one bed, a two bed and a

Annual housing resources and commitments for 2016/17

four bed property respectively.

197. Further, two other Wandsworth households, both owed the full homelessness duty, moved elsewhere but this time via the *Homefinder* scheme. They moved to a one bed in Kensington and Chelsea and to a two bed in Croydon respectively, with one other move (a two bed homeless household moving to Southwark) completed during April 2016.
198. Again separately, and in relation to the Council's own Out of Borough scheme (formerly know as the out of London or LAWN scheme), at year end, 12 households had been re-housed under the scheme, against a full year target of 25, and compared to seven in the previous year, with one more move in progress at the date of drafting this report.
199. As will be recalled, whilst the scheme when it was originally set up was expected to provide access to social housing units in the regions, the reality over more recent years has been that most movers have moved into the PRS, often to elsewhere in south-west London or around the A3 corridor. In 2009/10, a high of 79 moves was achieved and the reasons behind the reversal are believed to be largely the same as those affecting the supply of private sector lettings under the homelessness prevention schemes described elsewhere in this report.
200. It would be reasonable to forecast that the number of moves that might be achieved would be again no more than 25, as reflected in Table 12 above.

Performance targets

201. Lastly, when considering forward targets for homelessness and lettings related activity in 2016/17, Members are referred to Paper No 16-274 elsewhere on this agenda on 'setting targets for the Council's top line performance indicators etc.', which contains recommendations for targets across all departments and will be considered by the Executive on 4th July 2016.

SECTION 3: HOUSE SALES ACTIVITY**Former acquired properties**

202. The Council has a policy of selling former acquired properties if they become vacant and they are either:-
 - (a) the last remaining unsold flat in a former acquired house (Select Sales Policy Paper No. 97-481); or
 - (b) for the purposes of 'good estate management', the Director of Housing can refer the last remaining unsold flat in an infill or estate block (Paper No. 12-353); or
 - (c) following a financial appraisal carried out by the Director of Finance that shows that it is in the Council's financial interest to dispose of the property. (Paper No. 04-498).
203. These policies are subject to the Assistant Director – Housing Services' overriding ability to 'claw back' certain properties from the sales pipeline if she/he needs them for the urgent re-housing of applicants from the housing registers or for a homeless family and this is done under the Standing Order No. 83(A) procedure.

Annual housing resources and commitments for 2016/17

204. In 2015/16, a total of 24 properties were initially released for sale and nine of these properties were 'clawed-back' by the Assistant Director - Housing Services under the Standing Order No. 83(A) procedure, compared to five in the previous year. All nine properties clawed back were let by year end (as shown in [Appendix 3](#) as 'sales returns') and comprised 1 x 1 bed, 2 x two bed, 2 x 3 bed and 4 x 4 bed.
205. The receipts achieved from the completed sales of nine of the 16 properties not clawed back was £7 million. This is a direct benefit to the HRA with these receipts in turn being ring fenced to support HRA capital expenditure that could include new build and purchase among other competing priorities. As mentioned in paragraph 228 below, monies generated through such sales are re-invested into the fund for the purchase of accommodation, gaining additionality over time.
206. Under the current policy framework, given demand trends during the year, it is reasonable to anticipate that there will continue to be claw back of particularly larger family units to meet identified and urgent demand continuing with the revised policy framework around how best to do so that was approved in Paper No. 15-198. That revised approach more closely links a sale to re-provision on the basis that sale would provide the equivalent, better or indeed additional housing to meet demand. During 2015/16, some 19 properties, within and outside of the Borough, as detailed at paragraph 114 above and at paragraphs 231 and 234 below, were purchased for £7 million at an average of £370k per property.
207. However, it should be noted that following the enactment of the Housing and Planning Act 2016 ("the Act") three broad housing commitments in the Parliamentary Majority Party's manifesto for the May 2015 General Election - which were based on the sale of high value council housing assets to fund them - have now been put on statutory footing. These are: the extension of the Right to Buy discount to housing association tenants, setting up of a £1bn fund to support regeneration initiatives with funding to be available to replace high value council homes sold in the local area where that home was sold.
208. The Act saw some changes in approach and emphasis and the current position is that councils will no longer be required to sell housing assets but will be expected to make a contribution to meet the Government's housing commitments on an assumed contribution derived from the anticipated receipts arising from high value units that fall vacant. Additionally, a return was required to the Department for Communities and Local Government identifying the market value by unit of council housing stock which included stock which might effectively be excluded from any a contribution that might need to be made. This included identifying stock in regeneration areas and also supported housing including sheltered accommodation and, lastly the requirement to re-provide high value assets assumed sold was further defined and now includes a requirement on councils to re-provide two affordable homes for every one sold.
209. Whilst the broad parameters of this policy have been set out, councils have yet to be provided with detailed requirements including what will be the assumed level of sales and in turn contribution and importantly what level of resources the councils would be left with to support re-provision. It is expected that draft guidance/guidance will be published shortly and this is expected to be reported to committee and the Executive in the September cycle. Until this guidance is provided it would be speculation as to the impact of this policy and indeed whether any sales would be required or if a contribution

Annual housing resources and commitments for 2016/17

could be made through other means (e.g. through the sale of other assets such as land).

210. Finally, it should be noted that the Council is in a relatively strong position to re-provide given that it already has an active programme of Council development and therefore delivery infrastructure with a pipeline of almost 300 units due to be delivered over the next 3-5 years.
211. However, it is clear that the detailed requirements of these national policy initiatives may have consequences for the Council sales policy and/or the re-provision through purchase of sold units as at present and/or on HRA balances going forward. As such further detail emerges, it will be reported to the committee but, until that point, it is proposed that current policies around consideration for sale and acquisition, etc. remain unchanged. Further, in order to confirm current arrangements, it is proposed that the Director of Housing and Community Services (and successor posts under the Shared Staffing Arrangement with Richmond-upon-Thames Council), be given delegated authority, in consultation with the Assistant Director of Finance (Property Services), to purchase accommodation in accordance with those policies and it is further proposed that a positive capital budget variation of £5.3million, within the Housing Revenue Account, be approved, to fund further purchases to include temporary accommodation to meet homelessness duties, to assist in the successful delivery of regeneration policies and plans and to replace properties sold.

SECTION 4: LEGAL ISSUES

212. Summaries of the main legislative provisions are set out in Appendix 5 to the report, including the main provisions of the current Code of Guidance issued by the Secretary of State in 2006 and the Supplementary Guidance issued in 2012. The Council must, of course, comply with the relevant legislation. There is no absolute obligation to follow the Code, but Members must pay proper regard to its contents, and should only depart from its recommendations if there is some considered and rational basis for doing so. A 'suitability order' to end the long-term (defined as more than six weeks) use of B and B accommodation as temporary accommodation for homeless families with children or where a member of the household is pregnant was made in 2003. This 'suitability order' also effectively forbids the use of B and B accommodation for families, even for periods of less than six weeks, unless no other accommodation is available.
213. As will be seen from Appendix 5, the Council may come under a duty to secure accommodation for homeless persons in a variety of circumstances. However, the most important such duty for present purposes is that contained in Section 193 of the 1996 Act. Currently, this duty applies where the Council is satisfied that an applicant is homeless, eligible for assistance and has a priority need, and is not satisfied that the applicant became homeless intentionally, or that the case falls to be referred to another housing authority. In those circumstances, the Council's duty is to secure that suitable accommodation is available for the applicant. The duty is not time-limited and normally begins when the Council accepts the existence of the duty through service of a "Section 184 Notice".
214. In discharging its Section 193 duty, the Council must either secure for the applicant suitable accommodation which it provides itself, or secure that the applicant obtains suitable accommodation from some other person, or give the applicant such advice and assistance as will secure that suitable accommodation is available from some other

Annual housing resources and commitments for 2016/17

person (Section 206). Subject to the 2003 suitability order regarding families in B and B accommodation, there is no absolute requirement that the accommodation which the Council secures for the applicant should be available for any particular length of time in order to be considered suitable. It is all a question of what is reasonable in the circumstances, having regard to the applicant's needs and other relevant circumstances.

215. The High Court held in 1999 (*R v Newham LBC ex parte Begum and Ali*) that the local authority must in principle discharge its duty to secure suitable accommodation as soon as it arises. However, it is necessary to bear in mind the flexibility of the concept of suitability as explained above. In particular, whilst accommodation cannot be suitable unless it meets certain minimum standards having regard to the applicant's individual circumstances, it will be much easier to treat accommodation as suitable if it is only to be occupied for a short period. So the Council might, for example, discharge its duty to secure suitable accommodation for an applicant by providing B and B accommodation for a short period, followed by a leased flat. In the same case, the High Court held that, even if suitable accommodation could not be provided straightaway, the Court would not normally make any order against the local authority if it were taking all reasonable steps to secure such accommodation (although this would be a stringent test to meet).
216. The Court of Appeal held in 2000 (*R v Newham LBC ex parte Sacupima*) that, in terms of individual circumstances, the location of short-term temporary accommodation was relevant in determining the accommodation's suitability; accordingly, educational needs and any medical needs must be taken into account. This was subsequently strengthened by the Homelessness (Suitability of Accommodation) Order 2012, which requires authorities to take location into account when determining suitability, including the potential disruption a move could have on the household. In the recent case of *Nzolameso v Westminster City Council* (2015) (referred to at paragraph 47 above) the Supreme Court considered how the statutory duty on authorities under section 208 of the Housing Act 1996 to accommodate applicants within their own district so far as "reasonably practicable" relates to individual households who are offered an "out of borough" placement. The Court held that "reasonable practicability" imports a stronger duty than simply being reasonable. If it is not reasonably practicable to accommodate "in borough" authorities must generally, and where possible, try to place the household as close to possible to where they had previously been living. The Court also held that the duty on housing authorities under s.11 of the Children Act 2004 to carry out their functions in a way which takes into account the need to safeguard and promote the welfare of children, applies to the question of whether accommodation is "suitable" for the applicant and each member of their household. "The decision-maker should identify the principal needs of the children, both individually and collectively, and have regard to the need to safeguard and promote them when making the decision." The Court gave guidance as to how authorities should go about explaining their decisions as to the location of properties offered. Ideally, each local authority should have a policy, reflecting the statutory obligations under the 1996 and 2004 Acts, for procuring sufficient units of temporary accommodation to meet the anticipated demand and a policy for allocating those units to individual homeless households. Where there is an anticipated shortfall of in-Borough units, the policy would explain the factors that would be taken into account in making offers of accommodation and which would make it suitable to accommodate a household further away. The Council adopted a policy last year designed to address these issues (Paper No. 15-198).

217. Similar considerations as to suitability apply where the Council's duty to secure

Annual housing resources and commitments for 2016/17

accommodation arises under Section 188 or Section 190 of the 1996 Act (the interim duty pending a decision and the short-term duty to accommodate those found to be intentionally homeless but in priority need). The accommodation must be suitable, but suitability must be judged in the light of the temporary nature of the occupation. Accommodation which it is not reasonable for an applicant to continue to occupy (that is, in which that applicant satisfies the definition of homelessness) cannot be suitable for this purpose, even on a temporary basis.

218. It should be noted that although the homeless are entitled under Section 166A (3) to a “reasonable preference” in the allocation of housing by the Council, they are not entitled to first priority over everyone else. Also, the Council may balance the advantages of maintaining (by buying or building, or refraining from selling) a larger housing stock of its own – which might, all other things being equal, make it possible to provide homeless people with better accommodation sooner – against the disadvantages, such as cost and the lost opportunity to promote owner-occupation. Although such considerations cannot absolve the Council from performing its duties to the homeless, within limits they can be taken into account in deciding what accommodation may reasonably be considered suitable.
219. Members’ attention is drawn in particular to paragraphs 16.7, 16.9, 16.10, 16.12, 16.28, 17.25, 17.26, 17.29, 17.34, 17.35, 17.36, 17.37, 17.2, 17.4, 17.5 and 17.6 of the (2006) Code of Guidance (see [Appendix 5](#)). Amongst other matters, the Code seeks to discourage the use of B and B accommodation other than in limited circumstances. This advice applies especially but not solely in the case of families. In addition to the 2003 suitability order mentioned above, joint statutory guidance issued in April 2010 by the Secretaries of State for Children, Schools and Families and for CLG makes clear the joint view of the Secretaries of State that the use of B and B for 16/17 year-old homeless people is considered to be unsuitable.
220. However, even where the 2003 suitability order and the joint statutory guidance mentioned above do not apply, Members should bear in mind that the Code advises against the use of B and B accommodation for families, other than as a last resort and for the shortest time possible. In the case of homeless persons other than families, the Code suggests that there will be very limited circumstances in which it is the most appropriate option for the applicant, although it recognises that B and B may have a role to play, for example, where emergency accommodation is required at very short notice, or as a last resort where no better alternative is available. It is important for the Council to have regard to the extent of the use of B and B accommodation for non-family occupants and for those to whom the April 2010 joint statutory guidance does not apply, and to satisfy itself either that such usage is consistent with the Code, or that any departure is proper having regard to (for example) the problems that confront the Council as an inner London Borough, and what possible means there might be of reducing the use of B and B accommodation and at what cost.
221. In the context of considering the voluntary sale of the relatively modest number of properties mentioned in the report, Members must consider carefully the differences which could be made to its obligations to the homeless and other groups by different sales policies. Subject to Members giving full and proper consideration to all the legal advice and the information and advice from officers contained in this report, the Council could, in principle, decide to continue with a relatively modest number of voluntary property sales.

Annual housing resources and commitments for 2016/17

222. Members of the Council are reminded that they must give proper consideration to the following matters: -

- (a) the target times which families spend in B and B accommodation (see paragraph 17.25 of the current (2006) Code of Guidance); whether the Council is in a position to comply with the 2003 'suitability order', relating to families with children; and the extent to which any use of B and B for 16/17-year-old homeless persons complies with joint statutory guidance on this area issued in April 2010 by the Secretaries of State for Children, Schools and Families and for CLG;
- (b) whether the Council is in a position, where it owes a duty to do so, to secure accommodation for homeless persons which is suitable, having regard to their individual circumstances and to the length of time for which that accommodation is to be occupied; and, in addition, to comply with Section 208 of the Housing Act 1996 (see paragraph 87);
- (c) the important contribution which can be made to achieving reasonable target times for the homeless etc. by empowering the Assistant Director - Housing Services to seek the selective release ('clawback') of sales properties (see paragraph 203 and 204 and
- (d) the financial implications, as summarised in Section 5 of the report.

SECTION 5: FINANCIAL IMPLICATIONS

223. The Director of Finance comments that:

Homelessness, asylum and homelessness prevention

224. The 2015/16 outturn position in respect of homelessness, asylum seekers and homelessness prevention in both the General Fund and the HRA is shown in the table below:-

	General Fund £'000	HRA £'000
Homelessness	4,119	644
Homelessness Prevention	449	1,090
Asylum Seekers	654	n/a
Total Expenditure 15/16	5,222	1,734
Approved Budget 15/16	5,355	1,695
Variance	-133	+39

225. The average forecast unit costs per household per year of each form of accommodation for 2016/17 are as follows:-

	General Fund Unit Cost (p/m)
Homelessness:	
Bed and breakfast – Singles	£204
Bed and breakfast – Small families	£582
Bed and breakfast – Large families	£1,132

Annual housing resources and commitments for 2016/17

Licenced Nightly Paid – Small families	£674
Licenced Nightly Paid – Large families	£962
Private Sector Leases	£173
Asylum seekers:	
Other destitute – Singles Accommodation - Private	£985
Other destitute – Singles Accommodation - B and B	£820
Other destitute – Singles Subsistence	£128
Other destitute – Families Accommodation - Private	£1,330
Other destitute – Families Accommodation - B and B	£1,156
Other destitute – Families Subsistence	£516
UASC – Accommodation – Pangea	£1,266
UASC – Accommodation – Supported Hostels	£1,322
UASC – Subsistence	£244

226. The current overall approved budget for homelessness, asylum seekers and homelessness prevention in the General Fund for 2016/17 is shown in the table below:-

	General Fund £'000	HRA £'000
Homelessness	4,615	606
Homelessness Prevention	434	1,082
Asylum Seekers	596	n/a
Total Budget 16/17	5,645	1,688

227. The actual level of homelessness and unit costs will need to be kept under review throughout 2016/17 to ensure that forecasts remain in line with approved budgets with future budget variations considered for approval if necessary should the forecast prove to be significantly different. The impact of the possible reforms of homelessness duties will be considered once more detail is known.

228. There is a risk that the requirement to contribute significant sums to fund the Government manifesto housing commitments might have a detrimental impact on housing supply and increase homelessness pressures in the Borough. Under the Housing and Planning Act 2016 the Council will no longer be required to sell housing assets, which was the original expectation, but will now be expected to make a financial contribution to meet the Government's housing commitments based on an assumed contribution derived from the anticipated receipts arising from high value units that fall vacant. Until further guidance is provided it would be speculation as to the impact of this policy and indeed whether any sales of housing stock would be actually required, or if a contribution could be made through other means either through the sale of other assets such as land or borrowing.

229. There is a further risk that with the roll out of Universal Credit, currently restricted to single claimants placed in Croydon where the housing benefit element is paid directly to the claimant and not to the Council, that rent arrears may increase. Currently it is too early to estimate the financial impact of this but the level of arrears will need to be kept under review. If collection rates drop then this financial burden would fall to the General Fund therefore early identification of cases with the potential to build up arrears is necessary so to mitigate the risk as far as practicable possible.

230. Based on the levels of subsistence support paid to in 2015/16 the adoption of the new

Annual housing resources and commitments for 2016/17

standard rate of Section 95 Asylum Support, which is generally the same or lower than those rates currently paid by the Council, would save in the region of £30,000 per annum. This would reduce the pressure on the Other Destitute budgets within the Housing and Community Services department which overspent in 2015/16.

Purchase of temporary accommodation

231. Due to the pressures facing the Council around the supply of large units of temporary accommodation a programme of acquisition, both in and out of the borough, was approved in 2014/15. Initially a £5 million HRA capital budget variation was approved with an additional £10 million in both 2015/16 and 2016/17 approved as part of the HRA capital bids process (Paper No. 15-10). To date 29 properties have been purchased both in and out-of-Borough totalling £10.4 million. The units are acquired in consultation with the Director of Finance and the Assistant Director of Finance (Property Services) to ensure that the properties purchased represent value for money. The purchase of the units utilises one for one Right to Buy receipts retained by the Council. Under the terms of the revised Right to Buy agreement only 30 per cent of the acquisition costs can be met from the retained receipts with the balance being met through borrowing or S106 funds.

Sales policy - sale of vacant former acquired properties

232. The financial effects on public funds of allocating vacant Council dwellings for sale, instead of re-letting, cannot be fully and precisely quantified in advance and some elements can only be conjectural even with the advantage of hindsight. There are financial effects on both the HRA (with potential impact upon tenants' rents) and the Council's General Fund (with potential impact upon council tax bills) that need to be considered. Current capital finance Regulations mean that 100 per cent of the capital receipts from such sales are freely available for re-investment in the HRA or the repayment of debt, or in the General Fund for the provision of affordable housing or regeneration. If used for other General Fund capital expenditure, the General Fund will bear the continuing cost of an interest adjustment to compensate the HRA.
233. Former acquired properties that demonstrate a net financial advantage to the Council from sale should be confirmed in each case before proceeding where the justification for sale does not rely on any housing policy objective as the decision is therefore based purely on financial advantage. Currently the General Fund bears the long run present value cost of replacing a sold property with a private sector lease without any compensating gain from the disposal. The recommendation to proceed with sales which may demonstrate a financial advantage and confer other identified housing policy advantages would imply an additional cost to the General Fund based on the cost of the replacement temporary accommodation as shown above.
234. Under the current vacant sales policy the Assistant Director of Housing and Community Services (Housing Services) has the ability to claw back, under the Standing Order No. 83(A) procedure, those properties referred for sale subject to urgent housing need. 9 properties were clawed back in the year with a further 9 properties being sold at auction realising total capital receipts of £7 million. Under the revised policy approved in July 2015 (Paper No. 15-198), £5.3 million of these capital receipts should be invested into stock reprovision. This will be through the purchase of replacement larger units aimed at increasing the supply of larger family units to help to meet rising demand or through the purchase of decant units in and around the regeneration scheme areas for which a

Annual housing resources and commitments for 2016/17

positive HRA capital budget variation is recommended for approval in 2016/17.

235. The Council takes an annual decision on the continuation of the former acquired sales policy and as a result the 30 year HRA Business Plan relies only on capital receipts from the sale of former acquired properties in the current year and does not rely on the continuation of the scheme to maintain a viable business plan. The approval of the £5.3 million capital budget variation will have no detrimental impact on the viability of the HRA as this will be funded from the capital receipts from disposals not previously recognised in the business plan.
236. This sale and reinvestment policy will continue into 2016/17 but will be subject to it still being affordable within the HRA business plan when considered alongside the requirement to contribute towards the cost of the implementation of the Housing Association Right to Buy policy introduced under the Housing and Planning Bill 2016. Details of the sums the Council are expected to contribute towards this have still to be received but considering the relatively high stock values in Wandsworth it could have a material impact on forecast HRA reserves and the overall 30-year business plan and may require mitigating actions. Subject to further detail being known the financial impact of this will be included in the September 2016 HRA business plan update.

SECTION 6: REPORT SUMMARY AND CONCLUSIONS

237. Sections 1 and 2 of this report set out the homelessness position, the progress during 2015/16 and the key issues that need to be considered to manage the position during 2016/17. After several years of a reducing trend in homelessness demand, the last six completed years have seen significant increases in numbers being admitted into temporary accommodation and being accepted for the full duty overall that period, although in the year just closed numbers may have begun to plateau.
238. Again, for 2016/17 there are grounds to assume that that this numbers will remain at significant levels and accordingly to plan for the increased use of temporary accommodation over the year. Section 1 forecasts that any increase in use can be contained to 175 more placements over the year which may prove challenging. Careful monitoring by the Housing and Community Services Department and by the relevant Committees will continue to be essential during the year.
239. In terms of the allocation of social housing, the resources forecast is for 1,216 dwellings becoming available in the year from all sources and the 2016/17 Allocations Plan seeks to deliver a significant number of homeless rehousing and a significant number of moves by way of transfers so as to continue to address the issues connected with under-occupation, building on significant progress in recent years, and to create more resources whilst providing reasonable preference in addressing other manifestations of housing need.
240. This year, the Council's activity in, and plans for, promoting home ownership in the Borough under various initiatives is reported separately in the affordable housing update report (Paper No. 16-279), to all which all Members, when considering this report and deciding whether to support its recommendations, are referred.
241. Lastly, 2016/17 will see the implementation of the Shared Staffing Arrangement with Richmond-upon-Thames Council in the areas of the Department responsible for the matters covered in this report. It is expected that, following appointment processes

Annual housing resources and commitments for 2016/17

through summer 2016, arrangements on the ground will go live early in 2017.

The Town Hall,
Wandsworth,
SW18 2PU.

BRIAN REILLY
Director of Housing and Community Services

27th June 2016

Background Papers

There are no background papers to this report.

All reports to Overview and Scrutiny Committees, regulatory and other committees, the Executive and the full Council can be viewed on the Council's website (www.wandsworth.gov.uk/moderngov) unless the report was published before May 2001, in which case the committee secretary (Thayyiba Shaah – 020 8871 6039; email tshaah@wandsworth.gov.uk) can supply if required.

Appendices:

- Appendix 1 – 2015/16 homelessness demand and assessment
- Appendix 2 – 2015/16 temporary accommodation and permanent rehousing
- Appendix 3 – 2015/16 resources forecast and actual and 2016/17 resources forecast
- Appendix 4 – 2015/16 commitments forecast and actual and 2016/17 commitments forecast
- Appendix 5 – Housing Act 1996, Children Act 2004, Homelessness Code of Guidance (2006) and Supplementary Guidance (2012)
- Appendix 6 – Proposed NRPF rates effective 1st August 2016
- Appendix 7 - Draft revised Housing Allocations Scheme
- Appendix 8 - Equalities Impact Assessment re Appendix 7