

# HOUSING MANAGEMENT CONSULTATIVE COMMITTEE

## Agenda Item 69

Brighton & Hove City Council

**Subject:** Working Households Lettings Plan Pilot Review  
**Date of Meeting:** 13<sup>th</sup> December 2010  
**Report of:** Strategic Director Place  
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**Key Decision:** No  
**Wards Affected:** All

### FOR GENERAL RELEASE

#### 1. SUMMARY AND POLICY CONTEXT:

- 1.1 This report presents the findings of the review of the Working Households Local Lettings Plan pilot. The Working Household Local Lettings Plan (WHLLP) was agreed on a pilot basis by the Cabinet Member for Housing in July 2009. The pilot was to advertise 25% of all properties which were 2 bedrooms and above within the 9 most deprived areas of the city, to working households. The nine areas are: South Whitehawk, Central Whitehawk, North Whitehawk, Central Moulsecoomb, East Moulsecoomb, Knoll, Hangleton, Hollingdean and Tarner.
- 1.2 The objectives of the pilot policy were:
- To economically strengthen communities with high levels of unemployment and benefit dependency.
  - To create a more balanced and sustainable mix of households.
  - To ease pressure on public services in the most deprived neighbourhoods
- 1.3 It was agreed that a working household would include one member who was working for a minimum of 16 hours per week. Mobility standard flats and houses and sheltered accommodation were excluded from the pilot. It was also agreed that the pilot would be reviewed after 12 months had elapsed so that the Cabinet Member for Housing could assess the impact of the pilot. The pilot policy has operated within existing priority bands, but working households have taken priority within those bands. For example, if 10 people from band A bid, five of whom work, then the property would go to the working bidder with earliest priority date, even if that is later than a priority date of someone who is not working.
- 1.4 In November 2009 the Cabinet Member for Housing agreed the recommendations from a report (Ref HSG100) to amend the pilot so that 50% (instead of 25%) of properties of 2 bedrooms and above were advertised for working households. This was in order to ensure that a sufficient number of properties were let to working households to provide effective evaluation of the scheme.

- 1.5 A separate review of the council's Allocations Policy began on 17 November 2010 for a period of 12 weeks and these findings should feed into that wider review.

## **2. RECOMMENDATIONS:**

- 2.1 (1) That the Housing Management Consultative Committee comment upon the findings of the review of the Working Households Local Lettings Plan pilot.

## **3. BACKGROUND AND STRATEGIC CONTEXT**

- 3.1 Key strategic housing challenges faced by the Council include provision of more family homes, in particular for low income working households, and reducing inequality through delivery of more mixed communities on our housing estates. There is a body of research which demonstrates that there is a clear link between social housing and low levels of economic activity which in turn gives rise to social exclusion. This is demonstrated statistically by the Index of Multiple Deprivation (Communities and Local Government 2007) which provides a measure of social exclusion within 32480 geographical locations.
- 3.2 The Index of Multiple Deprivation uses a basket of 37 indicators including income and employment, education, skills and training, health and disability to measure deprivation. In Brighton and Hove 15 areas of the city fall within 10% of the most deprived areas in England with 8 areas in the the 5% most deprived areas of England. These areas broadly match the areas where there is a concentration of social housing in the city.
- 3.3 A report by Centre for Social Justice, *Housing Poverty: From Social Breakdown to Social Mobility* (2008) suggests that the reduction in the supply of social housing and centrally imposed allocations policies has led to social housing being prioritised for the neediest families. This is demonstrated by the fact that the average income for social housing tenants has reduced over the past 30 years. In the early 1980s council tenants' average income was 73% of the national average. Two thirds of council tenants now have incomes in the bottom 40%.
- 3.4 Such research suggests that by adopting an allocations policy which allows less vulnerable households to access social housing, and thereby generating a greater social mix on social housing estates, the community will benefit. The Centre for Social Justice and other researchers argue that mixed communities, where there are higher levels of economic activity, are more sustainable and will counter the residualisation of social housing estates. This, in turn, will encourage aspirational behaviour and reduce social problems.
- 3.5 Further to this research, such as that carried out by Centre for Social Justice, suggests that some of the most vulnerable members of the community can be equally as well or better supported within private sector accommodation. Private Sector accommodation can provide a greater choice of type and location of property.

- 3.6 Our most recent Strategic Housing Market Assessment (July 2008) identified that average house prices in the City tripled between 1997 and 2007 and that first time buyers required a household income of £45,000 to enter owner occupation. However, two thirds of households in the City earn less than £35,000 per annum. While the average house price in the City has fallen since the study it is still 25% higher than nationally. The Strategic Housing Market Assessment also identified that future delivery of new housing in the City is limited by the availability of sites and while there is a high demand for all types and size of accommodation in Brighton and Hove the most acute need is for family homes. Our Council Housing Register also reflects this. In terms of population projections the SHMA identified a net outmigration of families from the City, in particular, economically active families.
- 3.7 The Housing Cost analysis carried out quarterly by Brighton and Hove City Council Housing Strategy team demonstrates the impact that the cost of renting in the private sector has on households who are on low incomes. *Housing Cost Update: Quarter 2 April – June 2010* shows us that in order to get a sufficient mortgage to buy an average cost 3 bedroom property in the city would require an annual income of around £73000 with a deposit of £79000. To rent an average cost 3 bedroom property in the city would require an annual income of around £60000. There is a risk to the city of failing to provide affordable housing to those on low incomes will mean that working families who carry out lower paid but vital work will move away to cheaper districts.
- 3.8 There is an increased recognition of the importance of allocations schemes at a national level to ensure that local authorities make best use of housing stock, but also to improving access to affordable housing for those who are on low incomes and the ease of mobility for positively contributing to the community. The Government has published “Fair and Flexible - Statutory Guidance on social housing allocations for local authorities In England”. This is enabling Local Authorities to be open to change within the allocations scheme so that is it responsive to local needs.
- 3.9 A successful allocations scheme involves making the best use of the whole of the housing in the City to meet housing need. In Brighton & Hove, this means supporting households to access the private rented sector as well as the social housing sector. The Council provides advice and assistance for vulnerable households to access and maintain accommodation in the private rented sector through the Housing Options Service.

#### **4. IMPACT OF THE WORKING FAMILIES LOCAL LETTINGS PLAN**

- 4.1 Analysis of the first 12 months of the pilot has been undertaken. The evaluation of the Local Lettings Plan Pilot has demonstrated that under the pilot scheme there is a broader spread of properties allocated within each band to working households. A full analysis of the impact of the Local Lettings Plan is in Appendix 1. This includes analysis of those households who have been bypassed due to not working and meeting the criteria for the LLP, and whether they have since been rehoused

4.2 The tables below provide high level analysis of the number of working households who have been housed as a result of this pilot, broken down by geographical area, priority banding, and property size. To enable a comparison with the old scheme the statistics also show who would have been re housed if the pilot had not been implemented. Further analysis can be found in Appendix 1.

4.3 Table 1 below provides analysis of lettings to working families by neighbourhood area.

**Table 1. Lettings to Working Families by neighbourhood area**

LLP Information	Area					Grand Total
	Hollingdean	Hangleton	Moulsecoomb	Tarner	Whitehawk	
Advertised LLP 25%	4	4	5	0	4	17
All Eligible LLP 100%	16	8	15	0	22	61
<b>Percentage Let</b>	<b>25.00%</b>	<b>50.00%</b>	<b>33.33%</b>	<b>0.00%</b>	<b>18.18%</b>	<b>27.87%</b>
Advertised LLP 50%	12	12	22	6	25	77
All Eligible LLP 100%	24	27	37	11	59	158
<b>Percentage Let</b>	<b>50.00%</b>	<b>44.44%</b>	<b>59.46%</b>	<b>54.55%</b>	<b>42.37%</b>	<b>48.73%</b>

4.4 Table 2 below shows analysis of households who were allocated a property under the during the pilot period, broken down by property size and priority banding. This is compared with analysis of households who would have been allocated a property had the pilot policy not been introduced.

**Table 2. Analysis of Lettings under Working Local Lettings Plan Pilot**

<b><u>Working Households Local Lettings Plan Pilot.</u></b>			
Total adverts for working household priority = 90.			
Properties under offer at time of review (and not yet let so no results) = 5.			
Total lets to working households: 77 (44 Homeseekers & 33 Transfers)			
<b>Households who were allocated a property under the pilot, broken down by property size and priority banding.</b>			
2 beds	A = 13	3 beds	A = 9
	B = 22		B = 15
	C = 16		C = 1
	D = 0		D = 0
4+ beds	A = 0		
	B = 1		

C = 0			
D = 0			
<b>Households who would have been allocated a property, had the pilot policy not been introduced, broken down by property size and priority banding.</b>			
2 beds	A = 35 B = 15 C = 1 D = 0	3 beds	A = 20 B = 5 C = 0 D = 0
4+ beds	A = 1 B = 0 C = 0 D = 0		

- 4.5 The analysis demonstrates that under the pilot scheme there is a broader spread of properties allocated within each band to working households. Nevertheless allocations were made to households who were in housing need i.e.: no allocations were made to households in band D.
- 4.6 Through discussion with the tenant-led Choice Based Lettings Working Group has suggested that consideration should be given to extending the definition of a working household to include where a member of the household is making a positive contribution to the city, albeit that the contribution may not be paid for.

## 5. CONCLUSIONS DRAWN FROM THE PILOT

- 5.1 The local lettings plan pilot has come to an end. The evaluation of the Pilot has demonstrated that under the pilot scheme there is a broader spread of properties allocated within each band to working households.
- 5.2 The analysis in Appendix 1 demonstrates that the majority of emergency cases in Band A who have been bypassed due to not working and meeting the criteria for the Local Lettings Plan have since been rehoused. This shows that we are able to deliver the local letting policy as well as meet the needs of those who have been deemed in highest housing need in the city.
- 5.3 The availability of homes through Local Lettings Plans which target working households has enabled the Council to provide homes with subsidised rents to those in low income employment. It is anticipated that the pilot policy will also enable the Council to tackle some of the challenges presented by the findings of the Reducing Inequalities Review (2007). The Reducing Inequalities Review identified that residents of some of our council estates were not sharing in the prosperity of the City as a whole and that some of the most disadvantaged households were being concentrated in the same areas of council housing. Allowing for targeted housing of low income working households in these areas will help us to deliver the strategic housing and Reducing Inequality Review priorities of creating more mixed and balanced communities.

- 5.4 However, It has not been possible at this stage to draw conclusions about the broader impacts of generating more balanced, or sustainable communities by allocating more properties on social housing estates to working households. The benefits of doing so can only be measured over time and will be demonstrated by longitudinal statistical analysis, for example by comparison of the position of these areas in future Index of Multiple Deprivation studies. In the interim the council will need to continue to monitor locally the broader outcomes that our social housing communities tell us are important such as anti-social behaviour, health and financial exclusion. The best measure to tell us if this policy is achieving the intended outcome for residents is by continuing with an ongoing dialogue about the experience of those living on our estates which is something that this council is committed to do.
- 5.5 It is proposed that consideration be given to incorporating the principle of the pilot into the Allocations Policy. The Allocations Policy is currently under review and a 12 week consultation period commenced on 17<sup>th</sup> November 2010. In the interim it has been recommended that the Housing Cabinet Member consider extending the pilot pending the outcome of the consultation process.
- 5.6 For the duration of the pilot, there was no household income cap restricting eligibility under the pilot policy. An income cap would better target affordable housing for lower income working households. In the interim it has been recommended that the Housing Cabinet Member consider an income cap of £35,000. This level represents the average household income in Brighton and Hove according to the findings of CACI Wealth of the Nations Report 2007, which provides a specialist Housing Market Analysis data source.

## **6. CONSULTATION**

- 6.1 The tenant-led focus group reviewed the Local Lettings Policy and made recommendations for improvement.
- 6.2 Any changes to the allocations policy proposed as a result of this review will be subject to a 12 week consultation process with wider stakeholders in the City. The feedback from consultation and amendments to the allocation policy recommended as a result will be referred back to Housing Management Consultative Committee and the Housing Cabinet Member meeting.

## **7 FINANCIAL & OTHER IMPLICATIONS:**

### **7.1 Financial Implications:**

There are no direct financial implications to the Housing Revenue Account arising from the recommendations made in this report.

*Finance Officer Consulted: Monica Brooks*

*Date 29/11/2010*

## 7.2 Legal Implications

By virtue of section 169 Housing Act 1996, the Communities Secretary is entitled to issue guidance to local housing authorities in connection with the exercise of their powers under Part VI of the Housing Act 1997. - allocation of housing accommodation. Local Authorities are required to have regard to this guidance when exercising their allocation functions. In pursuance of this section, in December 2009 CLG issued a guide entitled, " Fair and flexible: statutory guidance on social housing allocations for local authorities in England. The guidance endorses using local lettings policies to achieve a variety of policy objectives, including dealing with concentrations of deprivation, or creating mixed communities by setting aside a proportion of vacancies for applicants who are in employment. With the change in central government there is likely to be new guidance in accordance with the new legislative proposals.

Guidance is useful in so far as it sets out best practice, however it can not be definitive, because local circumstances may require local solutions.

This exercise is reflective of previous guidance and seems to meet current thinking, but guidance should be kept under review and if there is a significant change in this or legislation, we will have to re-evaluate the pilot in light of any new information.

*Lawyer Consulted: Simon Court*

*Date: 29/11/2010*

## 7.3 Equalities Implications:

An Equalities Impact Assessment was undertaken prior to the commencement of the pilot in July 2009. A review of the Equalities Impact Assessment has taken place as part of the review of the pilot.

## 7.4 Sustainability Implications

There are no specific sustainability implications

## 7.5 Crime & Disorder Implications

There are no specific crime and disorder implications

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

Appendix 1. Local Lettings Plan Working Families – Analysis

### **Documents In Members' Rooms :**

None.

## **Background Documents:**

Housing Cabinet Member Meeting. 17 July 2009. *Local Lettings Plans – General Needs Housing*

Equalities Impact Assessment – Local Lettings Plans – working households July 2009

Housing Cabinet Member Meeting. 01 December 2010. *Interim Amendment to Working Households Local Lettings Plan*

Brighton and Hove City Council *Housing Cost Update: Quarter 2 April – June 2010*  
([http://www.brighton-hove.gov.uk/downloads/bhcc/housing/2010\\_Q3\\_Housing\\_Costs\\_Update.pdf](http://www.brighton-hove.gov.uk/downloads/bhcc/housing/2010_Q3_Housing_Costs_Update.pdf))

Centre for Social Justice, *Housing Poverty: From Social Breakdown to Social Mobility* (2008)

Communities and Local Government, *Fair and Flexible - Statutory Guidance on social housing allocations for local authorities In England.*(2010)