

Modelling the Impact of Birmingham's Draft Supported Housing Strategy

Introduction

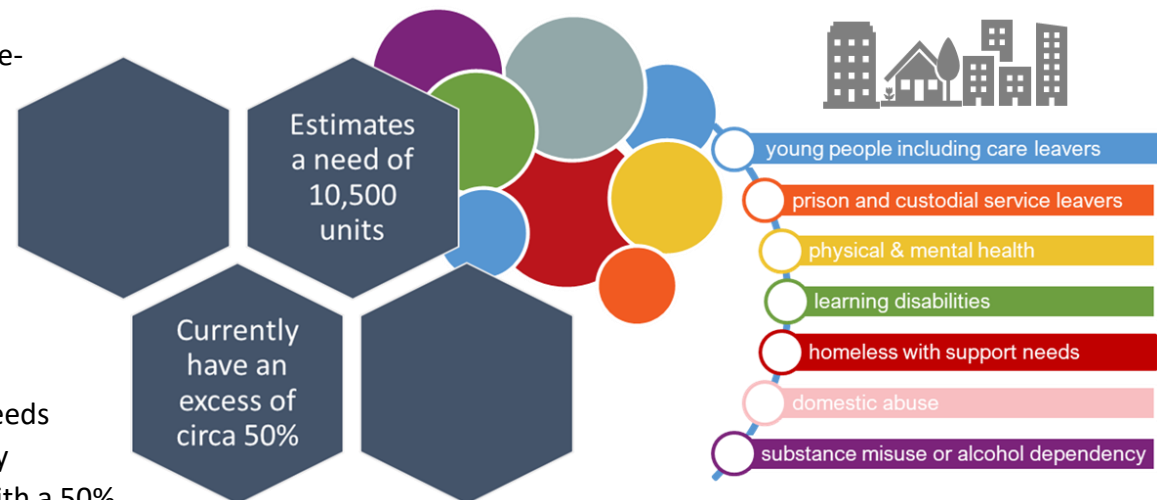
The draft Birmingham Supported Housing Strategy is one of the key local outputs established off the back of an extended pilot national programme of work to test and develop local governance and oversight models in relation to supported housing.

Supported housing encompasses a very broad range of provision, including more traditional, alongside newer forms of provision; including sheltered schemes, local authority homelessness commissioned services, specialist supported housing and non-purpose built domestic abuse provision.

Scope of the draft strategy and impact modelling

The scope of the Birmingham's draft strategy excludes age-specific (e.g. extra care or sheltered housing) is focussed upon short-term support accommodation, serving working age households. This has become the dominant type of provision in Birmingham, particularly provision emerging out of traditional private rented sector housing leased to third parties and which is not commissioned by council.

Underpinned by an evidence base (Supported Housing Needs Assessment, survey of providers and sector analysis) a key priority of the strategy concerns rebalancing provision, with a 50% reduction of overall provision from baseline estimate of 21,000 units of provision. This 50% reduction covers the main impacts captured in this paper.



Strategic Priorities - modelling the impact of reductions

There are four overall high level strategic priorities underpinning the strategy: 1) Lobbying for Legislative Change and National Reform; 2) Rebalancing the provision of accommodation; 3) Improved Quality and Oversight of Support Provision; 4) Interim Management Measures

It is important to note this reduction of provision emerging from Priority 2: Rebalancing the provision of accommodation, which this impact modelling concerns would only be achieved in the event of significant national reforms of current funding and oversight regimes which govern supported housing. A reduction in supply is precursory to Priority 1 Lobbying for Legislative and national reforms, being achieved.

Impact Modelling and Scenario Testing

This impact modelling summarises the discussions held with key stakeholders and professionals involved in supported housing to identify the impact of reductions in the supply of supported housing from the PRS leased based element of the Birmingham's supported housing provision.

The impact risks and likelihoods concerning reductions in supported housing were captured from a series of group exercise sessions which were held with stakeholders from the following service areas, which included multi-disciplinary teams involved in the oversight pilot: -

- Adult Health and Social Care - Commissioners, Safeguarding, and Other Lead professionals with responsibilities for care, support and supervision of vulnerable working age adults and households.
- Housing Needs and Homelessness - managers of statutory homelessness functions encompassing homeless families, single homeless persons including and rough sleepers.
- Housing Supply - professionals from planning strategy, housing strategy.
- Regulatory services - professionals from community safety, environmental service, enforcement, private rented sector licensing.

Being non-commissioned impact of 50% reduction concerns a primarily market driven provision of supported housing (lease based PRS supported housing) - the following and scenarios were explored and tested: -

- Scenario 1: The market responds to the required reduction by moving all properties to the private rented sector market.
- Scenario 2: The market responds to the required reduction by moving out of the market and putting properties up for sale.
- Scenario 3: The market responds to the required reduction by seeking other opportunities for utilising the properties.

The outputs of the group discussion are summarised in Table1 (risks have been subsequently scored in terms of severity and likelihood using and applying the matrix in Appendix 1):

| Table 1: Impact Modelling of 50% reduction PRS Lease-based supported housing. Impact Type | | Scenario 1: Market responds to the required reduction by moving all properties to the private rented sector market. | Scenario 2: Market responds to the required reduction by moving out of the market and putting properties up for sale. | Scenario 3: Market responds to the required reduction by seeking other opportunities for utilising the properties. |
|---|--|---|--|--|
| Environment and Community safety | <p>Localised demand on community safety and environmental services related to short term voids - skips, fly tipping of furniture</p> <p>Medium Risk (4) Severity: 2; Likelihood:2</p> | <p>Short-term spike in ASB and crime resulting from decanting from SEA sector in areas of high volumes of exempt accommodation</p> <p>High Risk (6) Severity: 3 Likelihood:2</p> | <p>Temporary increase in abandonment or voids properties transitioning out of the SEA sector</p> <p>Low Risk (1) Severity: 1 Likelihood:1</p> | <p>Longer-term impact improved community neighbourhood experience better levels of neighbourhood management- less ASB</p> <p>Medium Risk (4) Severity: 2 Likelihood:2</p> |
| | <p>Landlords investing in energy efficiency measures to meet energy efficient requirements may reduce due to reduced rental income. Reduced investment in properties poorer quality of properties and local areas - Stock condition of properties exiting the market - poor managed stock likely to require investment to meet decent homes standards and EPC ratings for renting.</p> <p>High Risk: (6) Severity: 3; Likelihood: 2</p> | | | |
| Housing Supply | <ul style="list-style-type: none"> Displacement from SEA exit results in changes to the availability of shared housing set up as HMOs - potential increase Loss of affordable housing provision - as other suitable smaller accommodation too expensive <p>Medium Risk (2) Severity: 2; Likelihood:2</p> | <ul style="list-style-type: none"> May need to consider reconfiguring existing BCC Clearance programmes due to the loss of smaller units of accommodation and the availability of housing for people in receipt of housing benefit unable to access PRS market due to higher rents Potential market displacement from SEA to other sectors e.g. Home Office asylum contracts, investors from outside of Birmingham <p>Medium Risk (4); Severity: 2; Likelihood:2</p> | <p>Landlords exiting the SEA market and PRS altogether - selling up (property moving into home ownership)</p> <p>Low Risk (2); Severity: 2 Likelihood:1</p> | |

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|--|---|---|---|--|
| Housing Needs | <ul style="list-style-type: none"> May present some additional opportunities for private sector leasing given its financial incentives for private landlords but the longer term PRS access and sustainability is still an issue due to the 30th percentile LHA rates set by HM Treasury Valuation Office Agency - Targeting Affordability Fund Single persons who do not need supported housing will lack suitably affordable 1 bed provision <p>High Risk (6) Severity: 2: Likelihood:3</p> | | | |
| Homelessness and Rough Sleeping | <p>SEA accommodation loss presents both threats and opportunities in terms of homelessness and rough sleeping. There is cyclical homelessness and churn emanating from the SEA. One third of single homeless persons presentations are via SEA accommodation</p> <p>Medium Risk (4) Severity:2, Likelihood: 2</p> | | | |
| Citizen living in the sector | <ul style="list-style-type: none"> Demand for move-on packages and access to traditional PRS or Social Rented Sector Housing increases from the market fall-out of SEA provision. Progression of clients residing in the sector stalled tenants in state of limbo - their journey has stalled as it started out as short-term but become longer term due to lack on alternative move-on housing options. Reduced displacement of people from outside of the local area being located into Birmingham dislocated from their support networks. Citizen - Affordability PRS market access Barriers will persist. <p>High Risk 9 Severity: 3, Likelihood:3</p> | | | |
| Regulatory service impact | <ul style="list-style-type: none"> New burdens in relation to mandatory, additional and selective licensing of properties that fall out of the exempt sector housing market - quantifying this demand to be undertaken current could be up to 4000 properties depending on occupancy levels. This would need to be modelled for more details. | | | |

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| | <ul style="list-style-type: none"> Renters Reform Bill - potential issues arising from these reforms in later years over the course of the strategy. Article 4 - restrictions would prevent some properties exiting the SEA sector from switching to HMO provision - potentially reducing multiple occupancy accommodation. <p>Medium Risk 4 Severity: 2 Likelihood:2</p> | | | |
| Financial (all types including regulatory and care and support) | <ul style="list-style-type: none"> Additional licensing officers/EHO's Planning enforcement - reviewing article 4 implications arising from drop out of the SEA accommodation into traditional HMO sector. Deconversion costs associated with repurposing back to PRS rental housing from shared accommodation. <p>Medium Risk 4 Severity: 2 Likelihood: 2</p> | | | |

Appendix 1: Risk Scoring Matrix - provisional scoring

| LIKELIHOOD ↓ | SEVERITY → | | |
|--------------|-------------------------------|-------------------------------|-------------------------------|
| | 1 | 2 | 3 |
| 1 | LOW - 1 - | LOW - 2 - | MEDIUM - 3 - |
| 2 | LOW - 2 - | MEDIUM - 4 - | HIGH - 6 - |
| 3 | MEDIUM - 3 - | HIGH - 6 - | HIGH - 9 - |